FIS U.S. HRC Technical Report

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US HRC Sep 26



Support		Resistance		Current Price	Bull	Bear
S1	1,164	R1	1,213	1,187		RSI below 50
S2	1,157	R2	1,247			
S3	1,123	R3	1,295			

Synopsis - Intraday

Source Bloomberg

- Price is below/on the 50- period MA
- RSI is below 50 (41)
- Stochastic is below 50
- Technical outlook previously: Positive reversal pattern in play
- We noted last week that the futures have reverted back to the 50 period MA; however, the RSI was making new lows, price was not. This was known as a positive reversal pattern, warning of underlying support in the market, providing price did not sell below the USD 1,157 fractal low. If we did, then it would warn that price could deteriorate further. A close and hold below the 50-period MA at USD 1,185 would leave the USD 1,157 support vulnerable.
- The Future's traded at a high of USD 1,121 on the positive reversal pattern; however, the new high resulted in price selling lower on a negative divergence. Price is back trading on the 50-period MA at USD 1,188 with the RSI below 50.
- Downside moves that hold at or above USD 1,123 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Inflection point
- The move lower on the negative divergence has resulted in price trading on/below the 50-period EMA at USD 1,188, meaning we are at an inflection point. the RSI is now at 41, having made a marginal new low with price, indicating sell side pressure is on the increase; however, 40 is an RSI support level, for downside continuation, we need to close and hold below the 50-period MA supported by the RSI moving below 50. Failure to do so would warrant caution, as it would warn of underlying support in the market.

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