FIS U.S. HRC Technical Report

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US HRC Oct 26



Support		Resistance		Current Price	Bull	Bear
S1	1,261	R1	1,277	1,271	RSI above 50	Stochastic overbought
S2	1,240	R2	1,291			
S3	1,215	R3	1,304			

Synopsis - Intraday

Source Bloomberg

- Price is above the 50- period MA
- RSI is above 50 (73)
- Stochastic is overbought
- Technical outlook previously: Downisde moves considered as countertrend
- We noted last week that the futures were approaching our potential upside target at USD 1,277 that we had highlighted in the previous report. However, the divergence had failed, meaning we have bullish momentum confirmation, warning downside moves had the potential to be countertrend. A close and hold below the trend support line at USD 1,256 would imply sell side pressure is increasing. We highlighted USD 1,213 as the key support to follow; throwbacks that hold at or above this level would imply underlying support, warning resistance levels should still be considered as vulnerable. Conversely, if the USD 1,213 support was breached, then the probability of the futures trading at a new high will begin to decrease.
- A light pullback to USD 1,255 has been followed by the futures trading at new highs. We remain above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 1,215 would support a longer-term bull argument, below this level the technical would have a neutral bias.
- Technical outlook: Negative divergence
- Having broken trend support the futures have traded at new highs, meaning we have a negative divergence in play. The divergence is a condition, it is not a sell signal, it is a warning that we could see a momentum slowdown, which will need to be monitored. Throwbacks below USD 1,255 would suggest that sell side pressure is increasing; however, we mark USD 1,215 as the key support to follow, as downisde moves that hold at or above this level would warn that there could be a larger bull cycle still in play. We continue to mark USD 1,277 as a potential upside target; if we close and hold above this level then market buyers would look to test the USD 1,291 resistance, as this is the 100% Fibonacci project of the first wave against the 5th wave on the lower timeframe cycle.

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