# FIS U.S. HRC Technical Report

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## US HRC Oct 26




| Support | | Resistance | | Current Price | Bull | Bear |
|---|---|---|---|---|---|---|
| S1 | 1,266 | R1 | 1,291 | 1,284 | RSI above 50 | Stochastic overbought |
| S2 | 1,249 | R2 | 1,304 | | | |
| S3 | 1,220 | R3 | 1,313 | | | |

## Synopsis - Intraday

Source Bloomberg

- Price is above the 50- period MA
- RSI is above 50 (74)
- Stochastic is overbought
- Technical outlook previously: Negative divergence
- We noted last week that having broken trend support the futures had traded at new highs, meaning we had a negative divergence in play. The divergence was a condition, it was not a sell signal, it warned that we could see a momentum slowdown, which needed to be monitored. Throwbacks below USD 1,255 would suggest that sell side pressure was increasing; however, we marked USD 1,215 as the key support to follow, as downisde moves that held at or above this level would warn that there could be a larger bull cycle still in play. We continued to mark USD 1,277 as a potential upside target; if we closed and held above this level then market buyers would look to test the USD 1,291 resistance, as this was the 100% Fibonacci project of the first wave against the 5th wave on the lower timeframe cycle.
- The futures closed and hold above the USD 1,277 level resulting in price trading at a high of USD 1,290, price remains supported. We are above all key moving averages with the RSI above 50.
- Downside moves that hold at or above USD 1,220 would support a longer-term bull argument, below this level the technical would have a neutral bias.
- Technical outlook: Bullish wave extension
- The upside move to a new high has resulted in the RSI divergence failing, it also looks like we have seen a lower timeframe bullish Elliott wave extension, suggesting downside moves should be considered as countertrend, providing throwbacks hold above the USD 1,220 level. Although the RSI has made new highs on the daily timeframe, the RSI is still divergent on the 4-and-1-hour timeframe. As highlighted last week, the divergence is a warning, it is not a sell signal and needs confirmation. Throwbacks below USD 1,266 would warn that sell side pressure is increasing. With the divergence in play, the technical warrants caution on higher moves in the near-term.

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