FIS U.S. HRC Technical Report

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US HRC Nov 26



Support		Resistance		Current Price	Bull	Bear
S1	1,293	R1	1,323	1,298	RSI above 50	Stochastic overbought
S2	1,279	R2	1,342			
S3	1,258	R3	1,364			

Synopsis - Intraday

Source Bloomberg

- Price is above the 50- period MA
- RSI is above 50 (74)
- Stochastic is overbought
- Technical outlook previously: Bullish wave extension
- We noted last week that the upside move to a new high had resulted in the RSI divergence failing, it also looks like we had seen a lower timeframe bullish Elliott wave extension, suggesting downside moves should be considered as countertrend, providing throwbacks held above the USD 1,220 level. Although the RSI had made new highs on the daily timeframe, the RSI was still divergent on the 4-and-1-hour timeframe. As highlighted previously, the divergence was a warning, it was not a sell signal and needed confirmation. Throwbacks below USD 1,266 would warn that sell side pressure was increasing. With the divergence in play, the technical warrants caution on higher moves in the near-term.
- The futures consolidated at their highs before gapping higher on the roll into the November contract on the 30/09/26. Although we saw a bear candle yesterday, we remain above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 1,279 will support a near-term bull argument, below this level the probability of price trading at a new high will start to decrease. However, throwbacks that hold at or above USD 1,232 would warn that there could be a larger, bullish Elliott wave cycle coming into play.
- Technical outlook: Negative RSI divergence
- Having gapped high on the Roll into the November contract the futures have produced a bearish rejection candle due to a negative RSI divergence. A close and hold below the secondary trend support line at USD 1,293 would signal an increase in sell side pressure, while a breach in the USD 1,279 support would reduce the probability of the futures trading at a new highs, warning primary trend support at USD 1,258 could be tested. We are currently cautious on higher moves, for upside continuation we will need to close above the high of the bearish rejection candle at USD 1,326 with the divergence failing.

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