FIS U.S. HRC Technical Report

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Support		Resistance		Current Price	Bull	Bear
S1	1,279	R1	1,315	1,297	RSI above 50	
S2	1,267	R2	1,323			
S3	1,176	R3	1,342			

Synopsis - Intraday

Source Bloomberg

- Price is above the 50- period MA
- RSI is above 50 (66)
- Stochastic is above 50
- Technical outlook previously: Negative RSI divergence
- Having gapped high on the Roll into the November contract last week the futures had 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 were cautious on higher moves, for upside continuation we would need to close above the high of the bearish rejection candle at USD 1,326 with the divergence failing.
- The futures have seen a small move lower with price below the secondary trend support at USD 1,315. We remain above the 50-period MA 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: Positive reversal pattern in play
- Having initially sold lower on the negative RSI divergence the futures have moves sideway through the secondary trend support, we have not seen an increase in sell side pressure. Price is effectively consolidating while the RSI has made new lows, this has created a positive reversal pattern. The reversal pattern warns that resistance levels remain vulnerable while price is above USD 1,281; below USD 1,281 both price and the RSI would have made new lows, signaling bearish momentum confirmation. Techncially we remain supported while above USD 1,281.

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