

FIS Base Morning Intraday Note

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Nickel

Sideways action for Nickel yesterday with the rolling contract holding below the daily pivot point for the remainder of the day. Price action remains in a corrective phase with a near-term downside target of USD 15,369. The RSI is above 50 on the 4-hour chart but the slope of the RSI is heading lower (weak), if price goes above and closes above the USD 15,805 level on the 4-hour with the RSI at 62 or higher, we have the potential to see further tests to the upside. For price to be bullish it will need the support of momentum. Upside moves that fail at or below the USD 15,971 level remain vulnerable to further downside pressure, above this level the intraday phase would be considered as neutral based on the depth of the pullback. Technically corrective based on the previous Elliott wave count, meaning upside moves are considered as countertrend at this point.

Alu

Little changed technically with price below the daily pivot point and an RSI below 50 suggesting intraday momentum remains weak. Near-term downside support is unchanged between USD 1,815—USD 1,774. Downside moves that hold above the USD 1,774 level leave the technical open to the possibility of another intraday bullish Elliott cycle but below that this level the pullback is considered as deep suggesting the higher timeframe technical is neutral and potentially bearish. Price action that puts price above (and close above on the 4-hour chart) 1,846 with the RSI at 50 or higher would suggest the intraday time frame is starting to strengthen in the near-term. The intraday Elliott wave cycle remains on a 110 min setting at this point.

Copper

The copper cycle jumped up a cycle two days back and remains technically bullish. The current intraday Elliott wave cycle is USD 151 mins. Price is currently in a corrective phase below the daily pivot point and is now in a Fibonacci support zone USD 6,845—USD 6,801; downside moves that trade below the USD 6,801 would take the intraday technical into a neutral phase and bring into question the Elliott wave count. From an intraday perspective the pullback looks to be a wave 4 correction, however at this point it is not yet confirmed and it could potentially be a correction within the wave 3. Based on the current intraday Elliott wave count we consider this downside correction to still be countertrend. Intraday price action on the 4-hour that closes above the USD 6,931 with the RSI at 63 or higher would support bullish price action. Note; all RSI values are set to a 21 period

Zinc

Yesterday we highlighted the bullish technical with a note that's the futures would produce a negative divergence with the RSI. Intraday price action has now made a new high and is in divergence. Elliott wave analysis would indicate that downside moves should be considered as countertrend. Near-term upside targets are at USD 2,622, USD 2,643 and USD 2,665 with support at USD 2,510, USD 2,489 and USD 2,459. Market bulls and wave followers will not want to see price below USD 2,459. Downside moves that trade below USD 2,572 would warn of a weakening intraday technical and potential corrective phase. Two E-wave cycles being monitored 151 min and 50 min.

Lead

In balance yesterday, the intraday futures (30 min) look like they could be entering an Elliott wave 5 if price can hold above the USD 1,806 level. Near-term upside target 1,828 and USD 1,837 with support at USD 1,790. Technically the intraday 30 min chart is considered as bullish with market pullbacks considered as countertrend.