

FIS Base Morning Intraday Note

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Nickel

Yesterday we highlighted that Nickel was entering into a corrective phase with the intraday futures being on a 5th wave within a 5th wave, this has proven to be the case. The futures have now broken the 15,786 support, meaning the intraday futures have confirmed a corrective phase. Near-term support/downside target is now at USD 15,369. It is worth noting that there should be an upside countertrend move (wave B) within this corrective move. If for any reason that the futures trade above the high of USD 16,135, then the corrective stage is over, and the futures have entered a new intraday bull cycle.

Aluminum

Aluminum futures are the choice of the day as the daily technical is showing an upside 5 wave pattern that looks to be in divergence. When we look at the intraday technical, we are seeing a similar pattern on the 110 min chart, 5 waves and a divergence, suggesting Aluminum is now in a corrective mode. Downside support is at USD 1,815, USD 1,798, and USD 1,774. Intraday price action below the USD 1,774 level would be considered as deep an open the possibility that the 5th wave on the daily cycle has completed. If the USD 1,774 level holds, we still have the potential to enter another bullish intraday cycle. Note price action is currently below the USD 1847 daily pivot, price above that puts the intraday above the previous days balance point (H-L-C/3) and suggest intraday bulls are in control. If this level holds then the probability of a corrective phase increases.

Copper

The copper oscillator made a new high yesterday meaning we have jumped up into a new cycle. From an intraday technical point of view, downside moves should be considered as countertrend at this point as the move is considered as impulse and should consist of 5 waves. At this point we are only showing 3 waves. Technically bullish with price above the daily pivot point (USD 6,969) and a near-term upside target at USD 7,034 as this is the most recent high. Fibonacci support is between USD 6,915, USD 6,878, and USD 6,828. If the final Fib support is broken market bulls should be cautious as the pullback on the intraday would be considered as deep and bring into question the Elliott wave count.

Zinc

This is much like the copper technical as it is on a bullish intraday wave 3 meaning it is impulse. Downside moves should be considered as countertrend with pivot support at USD 2,560 and Fib support at USD 2,509, USD 2,488, and USD 2,459. Again, market bulls will not want to see technical pullbacks below USD 2,459. Point of note, the intraday futures look like they could produce a small divergence above USD 2,579. Not a sell signal, however, this is a warning of a potential momentum slowdown in the near-term.

Lead

Lead is in balance as it is sitting on the daily pivot point, USD 1,800 having entered a corrective phase. The intraday wave analysis is shorter with the time chart of just 33 min per candle. However, the move looks to be impulse suggesting the intraday pullback is a countertrend move also. Fib support USD 1,796, USD 1,788, and USD 1,775. Downside corrections need to hold above the USD 1,775 level otherwise the bullish impulse move comes into question. Upside resistance is at USD 1,826, USD 1,833 and USD 1,841.