

FIS Base Morning Intraday Note

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Nickel

The USD has come under pressure in the opening session, resulting in higher pricing on the Nickel. The close on Friday was on the daily pivot point and near the high of the day, resulting in price opening above the current days pivot point (USD 15,886), putting the intraday opening in bull territory. The upside price movement is supported by the RSI which is above the 57 level as highlighted last week, whilst the faster moving stochastic is in overbought territory. Downside moves on the 4-hour candle that close below the USD 16,078 level would warn that the intraday price could be about to weaken and below the USD 15,886 level the intraday would be below the daily pivot. The near-term price action is bullish supported by the RSI. However it is worth noting that the lower time frame RSI is in divergence, warning we have the potential for a corrective test to the downside soon if the divergence does not fail. Resistance is at USD 16,173, USD 16,310, USD 16,446 with support at USD 15,886, USD 15,788 and USD 15,631.

Alu

Price remains in bullish territory above the daily pivot point having made another new high. The RSI is above 50 with a bullish slope, However the RSI continues to remain in divergence. Not a sell signal the divergence is warning that we have the potential for a momentum slowdown soon. Downside moves that close on the 4—hour candle below USD 1,933 would warn of a weakening intraday picture; however, downside moves that hold at or above the USD 1,910 level would keep the technical on a bullish footing. Below this level the pullback is considered as deep and the phase neutral. Technically bullish but in divergence, Resistance is at USD 1,944, USD 1,954, USD 1,976 with support at USD 1,933, USD 1,923 and USD 1,910.

Copper

The futures produced a bullish close early on Friday with the RSI above 57 supporting bullish price action, this resulted in higher price action during the day. Price has opened above the daily pivot point (USD 6,973) with the opening candle pushing to a high of USD 7,179. The intraday technical is currently bullish, A close below USD 7,115 on the 4—hour would imply the intraday technical is showing signs of weakness. The daily pivot point is at USD 6,973 meaning the 4—hour candle needs to be below USD 6,973 for the intraday to be considered as bearish. The RSI is above 50 with the stochastic overbought, however the momentum slope is bullish, implying downside moves would be considered as countertrend at this point. Resistance is at USD 7,217, USD 7,320, USD 7,409 with support at USD 6,973, USD 6,923 and USD 6,847.

Zinc

Price action did get above the daily pivot point on Friday but failed to find momentum support with the RSI staying below the USD 59 level. Like the rest of the Base complex we are seeing a bullish price action on the weak USD on the open, resulting in price and momentum opening in bull territory. Intraday price action has not traded above the USD 2,681 high, above this level we have the potential to see a negative divergence. The divergence is not a sell signal, it is a warning that we could see a momentum slowdown, they can and do fail at times. A close on the 4-hour candle below the USD 2,660 level would warn that intraday momentum is weakening based on price, and below USD 2,634 price would be below the daily pivot point warning of further weakness. Technically the trend is bullish, though we are seeing warning signs that momentum is starting to slow. Resistance is at USD 2,681, USD 2,697, USD 2,719 with support at USD 2,634, USD 2,611 and USD 2,583.

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Lead

On Friday price remained technically bullish in a trending environment resulting in the futures trading up to a high of USD 1,915. A bullish open for lead is not seeing the follow through like the rest of the base complex, with the current candle trading on the daily pivot point (USD 1,902) having briefly traded below it in the current 4—hour session. Downside moves that close below the USD 1,902 level on the 4-hour would suggest we could be entering into a corrective phase. However, the RSI is above 50 and in bull territory having made a new high suggesting market pullbacks could potentially be countertrend at this point. Note; a close below the USD 1,902 level with the RSI at 60 or lower would suggest the price and momentum are aligned to the downside in the near-term. Resistance is at USD 1,920, USD 1,932, USD 1,932 with support at USD 1,902, USD 1,890 and USD 1,872.

Data source Bloomberg