

FIS Base Morning Intraday Note

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Nickel

Intraday price action closed above the USD 15,770 level yesterday signaling intraday momentum was improving. However, price failed to trade/close above the USD 15,982 level keeping the futures below the daily pivot point. Price is below the daily pivot point putting the intraday technical in bearish territory supported by bearish momentum. Upside moves that close above the 15,836 level on the 4—hour candle with the RSI at 55 or higher (21 period) would imply intraday momentum is increasing. Price action above the USD 15,955 level would create a higher high in the market meaning the intraday technical is turning bullish. Downside moves below USD 15,655 would create a lower low in the market warning of downside continuation. The intraday technical is bearish based on the USD 15,655 low yesterday, this is supported by weak intraday price at this point that would need to close above the USD 15,836 level supported by bullish momentum for the intraday to imply the phase is turning bullish. Resistance is at USD 15,836, USD 15,955, USD 16,136 with support at USD 15,732, USD 15,565 and USD 15,260.

Alu

Price action remained in bullish territory throughout the course of the day yesterday, resulting in a higher high in the market. Price has opened above the daily pivot point with the RSI now at 71, the RSI has managed to break both long-term divergence which in theory supports a bullish argument, however it is now in an area where momentum has previously exhausted. Downside moves that close below the USD 1,977 level on the 4 hour candle would imply we could be entering into an intraday corrective phase, and below USD 1,970 would put price below the daily pivot point. The RSI slope is bullish as are the market averages, meaning that downside moves that close below USD 1,964 will need the RSI at 64 or lower for intraday price/momentum to be considered as weak. Key intraday support is at USD 1,924, downside moves that hold above this level would support a buyers argument, below this level the pullback is considered as deep and the technical phase neutral. Resistance is at USD 1,993, USD 2,005, USD 2,040 with support at USD 1,970—1,964, USD 1,935 and USD 1,924.

Copper

Price did close below USD 7,098 with the intraday price signaling a corrective phase, however the downside move has held above the USD 6,950 level keeping the intraday technical in bullish territory. Today's opening candle closed one dollar above the daily pivot point but was not supported by bullish momentum. Upside moves on the 4—hour candle that close above the USD 7,073 level (currently USD 7,104) would need to see the RSI at 62 or higher (Currently 61.76) for price and momentum to be aligned. Failure to hold above these levels would keep the intraday in a corrective phase based on price and momentum, with USD 6,950 remaining the key support for the technical. Resistance is at USD 7,136, USD 7,198, USD 7,324 with support at USD 7,073, USD 6,950 and USD 6,822.

Zinc

If you read yesterday technical report FIS Zinc Technical Report <https://fisapp.com/wp-content/uploads/2020/11/FIS-Zinc-TECHNICAL-REPORT-17-11-20-2-1.pdf> you will see that I had the intraday Elliott wave count as the 5th wave of the 5th wave of the 5th wave. Price was at the point where multiple divergences on different time periods suggested the wave count looked imminently like it was about to exhaust. The intraday technical broke our divergence on the open today, meaning the wave count is incorrect on the lower time frames (sub 258 min). We still remain on the 5th wave of the daily technical, and the 5th wave of the intraday 258 min chart. From the USD 2,601 low we had the wave count as 5 waves that were in divergence, suggesting we were witnessing cycle completion. The late push on the close, followed by the bullish open, meant that the lower time frames broke the divergence without confirming a corrective move, meaning it was a wave 3 and I had got the count wrong. Until this shows a corrective pullback that is deep enough, or breaks a key fractal support, this trend remains bullish.

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Zinc continued

A close on the 240 min chart below USD 2,721 level would warn of intraday weakness on the 4 hour chart and below USD 2,687 price would be below the daily pivot point, warning of intraday momentum weakness based on price. However, for the RSI to support any intraday downside move the RSI would need to be at 60 or lower. Downside moves that hold above the USD 2,653 level would support a continued bull argument; below this level the pullback would be considered as deep and the phase neutral. Resistance is at 2,744, USD 2,738, USD 2,832 with support at USD 2,687, 2,649 and USD 2,632.

Lead

Price action did test to the downside yesterday having produced a weak opening candle. However, price failed to close below the USD 1,904 support, nor did the RSI close below 50. The technical remains in bullish territory supported by the RSI above 50 and showing a bullish slope. Downside moves that close below the USD 1,943 level would indicate the 4—hour technical is starting to weaken, however price would need to close below the USD 1,933 level with the RSI at 63 or lower for the intraday to signal a corrective phase. Resistance is at USD 1,962, USD 1,976, USD 2,018 with support at USD 1,943, USD 1,933 and USD 1,919.

Data source Bloomberg