

FIS Base Morning Intraday Note

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Nickel

Price closed above the USD 15,828 level yesterday with the RSI above 58, resulting in intraday bullish price action that traded at USD 16,300 on the open. Intraday momentum remains bullish with price above the USD 16,171 daily pivot supported by a bullish RSI. Downside moves that close below the USD 15,825 level will need to see the RSI at 54 or lower for momentum to support downside price action. The USD 16,300 high has created a negative divergence with the RSI warning that upside moves could potentially see a momentum slowdown. Technically we remain in bullish territory, the divergence on the 4-hour chart is indicating technical weakness suggesting the futures are not considered a technical buy at this point. Downside moves that trade below the USD 15,895 level would create a lower low in the market, putting the intraday 4—hour technical into a corrective and potentially bearish phase. Resistance is at USD 16,310, USD 16,431, USD 16,691 with support at USD 16,171, USD 16,083 and USD 15,895.

Ali

Price and momentum are not currently supporting each other. Price is above the USD 1,981 pivot level but the RSI will need to close on the 4—candle at 62.5 or higher for momentum and price to be aligned. Downside moves that close below the USD 1,981 level would indicate momentum weakness on the intraday session; however, the technical remains bullish on downside moves that hold at or above the USD 1,930 level, below this and the pullback is considered as deep and the phase neutral. Intraday Elliott wave analysis would suggest that downside moves should be considered as countertrend unless we have traded above the USD 2,003.5 level, at this point the technical will have achieved the minimum requirement for wave completion. Fractal support is at USD 1,966, price below this level is corrective, providing we have not traded above the USD 2,003.5 level; if we have made a new high then the probability that the technical is entering a bear phase will increase. Resistance is at USD 1,994 (currently on it), USD 2,003.5, USD 2,024 with support at USD 1,981, USD 1,966 and USD 1,938.

Copper

Not considered a technical buy yesterday due to the negative divergence on the 4—hour candle and this remains the case. Price has traded to a new high of USD 7,360 and is currently above the daily pivot (USD 7,282) supported by the RSI in bullish territory. An intraday close on the 4—hour technical below the USD 7,282 level with the RSI at 62.5 or lower would warn that intraday price and momentum are aligned to the downside. However, the intraday technical remains bullish above the USD 7,226 level and neutral below. Technically in bullish territory but not considered a technical buy due to the negative divergence on the 4—hour candle and lower timeframes. Resistance is at USD 7,357, USD 7,405, USD 7,528 with support at USD 7,282, USD 7,226 and USD 7,259.

Zinc

Intraday price action remains in a corrective phase with downside moves considered as countertrend at this point, based on intraday Elliott wave analysis. The opening session did trade up to a high of USD 2,774.5 putting price above the daily pivot point (USD 2,747); however, the RSI did not support bullish momentum resulting in price action failure. Upside moves that close on the 4—hour candle above the USD 2,747 level will need to see the RSI at 61 or higher for price and momentum to be aligned to the buyside (21 period RSI currently 54). Likewise, downside moves that close below the USD 2,747 would indicate intraday weakness. The Technical itself remains bullish but corrective based on the intraday Elliott wave count, meaning USD 2,661 remains the key technical support. Price action that holds at or above this level would keep the technical in bullish territory, below USD 2,661 the wave count becomes neutral. Resistance is at USD 2,766, USD 2,782, USD 2,803 with support at USD 2,730, USD 2,711 and USD 2,676.

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Lead

Lead entered bullish territory yesterday but triggered a negative divergence with the RSI on the new high, resulting in the upside move failing to hold. Intraday price is currently on the daily pivot point but the RSI has pulled back on the negative divergence, warning we are potentially seeing a momentum slowdown. Upside moves that close above the USD 2020 level on the 4—hour candle with the RSI at 69 or higher (currently 64.5) would indicate that intraday momentum and price are aligned to the buy side. However, due to the negative divergence the market would not be considered as technical buy. A close below USD 2020 would indicate intraday weakness within a bullish trend. Downside moves that hold at or above the USD 1,898 level would keep the technical in bullish territory; below this level the pullback is considered as deep and the phase neutral. Resistance is at USD 2,042, USD 2,065, USD 2,110 with support at USD 1,997, USD 1,975, USD 1,930.

Data source Bloomberg