

# FIS Base Morning Intraday Note

info@freightinvestor.com | www.freightinvestorservices.com | (+44) 207 090 1120

## Nickel

Not a technical buy yesterday due to the divergence with the RSI, price traded down to a low of USD 15,930 meaning fractal support held. Intraday price and momentum are currently aligned to the downside with a near-term downside target at the fractal support highlighted yesterday (USD 15,895); price action below this point would create a lower low in the market and take the intraday into a corrective/bear phase. Upside moves that close above the USD 16,096 level with the RSI at 58 or higher would signal bullish intraday price action; however, as with yesterday upside moves that make a new high would create a negative divergence in the market and not be considered a technical buy. Resistance is at USD 16,096, USD 16,263, USD 16,466 with support at USD 15.895, USD 15,726, USD 15,355.

## Alu

Price and momentum were not supporting each other yesterday, meaning the upside move failed to hold before creating a double bottom at USD 1,966. Price has moved above the daily pivot point on the open (USD 1,977) but again does not have the momentum support needed for the intraday to be aligned to the upside. A close on the 4—hour Cart above the USD 1,977.50 level with the 21 period RSI at 60.5 or higher would mean that intraday price and momentum are aligned to the upside. Upside moves above the USD 2,003.5 level would create a higher high in the market and with it create a negative divergence, meaning it would not be considered a technical buy above this level. Downside moves that hold above the USD 1,930 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 2003.50, USD 2,009.5 and USD 2,041.5 with support at USD 1,957, USD 1,945 and USD 1,930.

## Copper

The divergence in copper yesterday resulted in a price and momentum pullback below the daily pivot point. However the USD 7,226 support continues to hold, keeping the intraday technical in bullish territory. Having held support the futures have opened higher, making another new high, this time however so has the RSI meaning we no longer have a negative divergence in play (hence divergences are warnings and not sell signals). A close on the 4—hour intraday candle below USD 7,312 with the RSI at 62 would again signal that the intraday price action is weak; the technical remains in bullish territory above the USD 7,307, below this level the intraday technical becomes neutral. When looking at the intraday Elliott wave on lower timeframes the new high would suggest we still have the potential for one final move higher within this phase. The caveat is we are talking 20 min time frames on Elliott wave charts, so not a reliable as the longer timeframes. Resistance is at USD 7,420, USD 7,527, USD 7,569 with support at USD 7,312, USD, 7,256 and USD 7,205

## Zinc

Intraday price action was corrective yesterday but considered as countertrend and this has proven to be the case. Price did close above pivot support yesterday but did not have momentum support, however the opening candle today closed above the daily pivot with RSI support indicating the intraday technical is currently in bullish territory. Upside moves above the USD 2,803 level would create a higher high in the market and create a negative divergence. The intraday technical would suggest we should create a higher high based on the Elliott wave analysis (173 min chart, low 2497.5 that started on the 29-10-20). Downside moves on the 4—hour chart that close below the USD 2,755 with the RSI at 57 or lower would put the intraday in a corrective phase. If the intraday goes closes below the pivot before it makes a higher high, then the USD 2,669 is the key support to follow; downside moves that hold above this level would keep the technical in bullish territory and neutral below. Resistance is at USD 2,803, USD 2,832, USD 2,867 with support at USD 2,755, USD 2,737 and USD 2,716.

## Lead—Page 2

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association (“NFA”). Freight Investor Services PTE Ltd (‘FIS PTE’) is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC (‘FIS DMCC’) is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at [www.freightinvestorservices.com](http://www.freightinvestorservices.com)

# FIS Base Morning Intraday Note

info@freightinvestor.com | www.freightinvestorservices.com | (+44) 207 090 1120

## Lead

Downside moves held above the daily pivot point yesterday but did not have momentum support meaning the upside move failed to hold. Price action is above the daily pivot point (USD 2,029) but does not have momentum support. Upside moves will need the RSI at 68.5 or higher for momentum and price to be aligned to the buy side. The new high yesterday created a negative divergence in the market meaning upside moves are not considered a technical buy. Downside moves that close below the USD 2,029 level would put the intraday in bearish territory. From a technical perspective USD 1,902 is now the key support level, downside moves that hold at or above this level will keep the higher timeframe technical in bullish territory, below this level the pullback is considered as deep and the phase neutral. Resistance is at USD 2,048, USD 2,062, USD 2,095 with support at USD 2,029, USD 2,009 and USD 1,996.

## Data source Bloomberg