

FIS Base Morning Intraday Note

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Nickel

Sideways action on Friday with price holding in bull territory for the day. The RSI has made a higher high, meaning a negative divergence did not form, warning the intraday cycle has yet to complete. Price is trading below the daily pivot point (USD 16,403) indicating intraday price is weakening and potentially correcting. However, the 4—hour candle has yet to close and confirm that the intraday technical is weakening based on price. For momentum to support a downside corrective phase then the RSI need to be at 56.5 or lower (currently 55.8). Downside moves that hold at or above the USD 16,132 level remain in bullish territory, below this level the pullback is considered as deep the technical phase neutral and brings into question the bull intraday wave cycle. Resistance is at USD 16,403, USD 16, 5,25, USD 16,628 with support at USD 16,227, USD 16,173 and USD 16,132.

Ali

On Friday we noted that intraday price was in bullish territory but the RSI needed to be above 59 for price and momentum to be aligned to the buyside. The final 4-hour candle close of the day put the RSI at 59, meaning price and momentum were aligned to the buyside. Price has opened above the daily pivot point a new high being made, resulting in the negative divergence and confirming an Elliott 5th wave. The new high means the minimum requirement has been made for an Elliott wave cycle completion; based on the shallow pullback and using the Williams approach of projecting wave 1—3, from the base of 4 upside resistance is between USD 2,047, USD, 2,072 and USD 2,097. The final resistance would be considered the potential upside target. Downside moves that close below the USD 1,922 level would be below the daily pivot point, warning of intraday weakness and below the USD 1,967 level price would be below key Fractal support, suggesting cycle completion and a corrective phase. Support is at USD 1,922, USD 1,982 and USD 1,966.

Copper

The futures held in bullish territory with no downside signals activated through the course of Friday. Price has opened above the daily pivot point with the RSI at 80, price and momentum remain aligned to the buyside, with the RSI still at high levels. Downside moves that close below the USD 7,583 level would warn that the intraday price is starting to weaken and below the USD 7,467 level price would be below the daily pivot point. For intraday price and momentum to be aligned to the downside the RSI will need to be at 71 or lower. Intraday Elliott wave analysis remains bullish, suggesting downside moves should be considered as countertrend at this point. Resistance is at USD 7,700, USD 7,742, USD 7,788 with support at USD 7,467, 7,415 and USD 7,352.

Zinc

Technically bullish on Friday, price action has traded above our near-term resistance zone. The new high has confirmed that the intraday Elliott wave cycle has entered a 5th wave; it has also confirmed the minimum requirement for cycle completion with price now in divergence. Technically bullish, the upside resistance zone is between USD 2,83—USD 2,903 with a potential upside target (based on the Williams approach) at USD 2,903. Downside moves that close below the 2,788 level on the 4—hour candle with the RSI at 58 or lower would indicate the futures have entered a corrective phase and below USD 2,716 the futures will have broken key Fractal support suggesting this intraday Elliott wave cycle has completed. Resistance is at USD 2,832, USD 2,867, USD 2,903 with support at USD 2,788, USD 2,766 and USD 2,716.

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Lead

A negative divergence on Friday warned of the potential for a momentum slowdown; however the upside move took the RSI above 66 into bull territory then continued higher to break the divergence on the 4—hour candle. Intraday price action remains technically bullish on an extended wave 3, suggesting downside moves should be considered as countertrend at this point, a close on the 4-hour candle below the USD 2,084 level with the RSI at 66 or lower would signal the market has entered a corrective phase, within the longer term bull trend. Resistance is at USD 2,129, USD, 2,159, USD 2,203 with support at USD 2,084, USD 2,055 and USD 2,011.

Data source Bloomberg