

FIS Zinc Technical Report

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

FIS Zinc Technical Report

Synopsis:

The long term trend is technically bullish with price looking like it is on an Elliott wave 5. This is usually the final impulse wave before the cycle enters a corrective phase.

The near-term upside target is the 61.8% Fibonacci projection at USD 2,843. However, it is worth noting that having made a new high the futures have achieved the minimum requirement for cycle completion.

Price is rising on higher Aggregate Open Interest (AOI) and this is a bullish signal, supporting a bullish trend. Intraday wave analysis would also support further upside moves. Downside moves that trade below the USD 2,409 level would be considered as deep, take the technical into a neutral phase, and bring into question the current wave count.

Elliott wave is a guide, just because we appear to be on a 5th wave on both the daily and intraday charts does not mean the cycle is complete. The intraday cycle can easily move up to a higher time frame (I.E. 1,2,3,4,5,A,B,C on the 92 min chart could become wave 1—2 at a higher level within the daily wave 5). Likewise, if the divergence fails we could be seeing some form of extended wave. It is not set in stone, it is a psychological footprint of the market that is often a repetitive cycle, these waves can and do extend for long periods at times.

We highlight this as the Aggregate Open Interest (AOI) is strong, warning new players are entering the market. If price continues to rise and the AOI starts to fall, then be aware as it means that existing longs are selling to new buyers. This often signals trend exhaustion (Murphy)

Here and now the technical based on the wave count and the AOI is considered as bullish.

FIS Zinc Technical Report

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

Zinc—Rolling 3 month (Front End Technical)



	Support	Resistance	Current Price	Bull	Bear
S1	2,514	R1	2,637	RSI above 50	Stochastic overbought
S2	2,470	R2			
S3	2,409	R3			

Synopsis

Chart source Bloomberg

- Price is above the 8—21 period EMA’s
- RSI is above 50 (64)
- Price is above all key moving averages whilst making higher highs and higher lows
- Aggregate open is building
- RSI has a negative divergence (price is making higher highs but the RSI is not)
- The stochastic is in overbought territory
- Elliott wave Analysis would suggest we are on a bullish wave 5
- Price is now at the base of the Fibonacci resistance/target zone
- Technically bullish with rising price and aggregate open interest, price looks to be on a bullish 5th a final Elliott wave. Based on a price projection of wave 1—3, projected from the base of wave 4 gives a potential upside target at the 61.8% Fibonacci projection USD 2,843 (Williams). However, it is important to note that the minimum requirement of wave completion has been achieved

FIS Zinc Technical Report

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

Zinc Intraday



Synopsis - Intraday

Chart source Bloomberg

- The intraday technical is on a 92 mins chart
- The RSI is above 50
- The stochastic is oversold, momentum is warning we have the potential for a test to the upside
- Price is finding support on the 55 period EMA
- Intraday Elliott wave analysis would suggest we are on a corrective wave 4; if correct then in theory we should have a bullish wave 5
- Using the Williams approach highlighted on the daily technical, using the current base of the corrective wave, upside resistance/target at the 61.8% projection is USD 2,741
- Downside moves below USD 2,409 would be considered as deep and bring the wave count into question
- Technically a bullish intraday trend that is in a corrective phase.

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