

FIS Zinc Technical Report

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Synopsis:

We highlighted previously that we had potentially more to the upside. Price is higher and approaching the USD 2,736 resistance.

The focus is again on the Elliott wave cycle, as we are now on the 4th wave 5 suggesting that we could be witnessing trend/cycle completion. This is supported by multiple time frame divergences and a drop in the aggregate open interest.

We noted that the Elliott wave was a psychological footprint of the market where we can get waves within waves. This is illustrated on the intraday chart.

From a technical perspective the upside looks limited unless there is an event to push this market higher. The Elliot wave is now so overextended it is hard to see much further upside.

This market is not a technical buy and could soon be in a corrective stage on the daily technical

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Zinc—Rolling 3 month (Front End Technical)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,680	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis

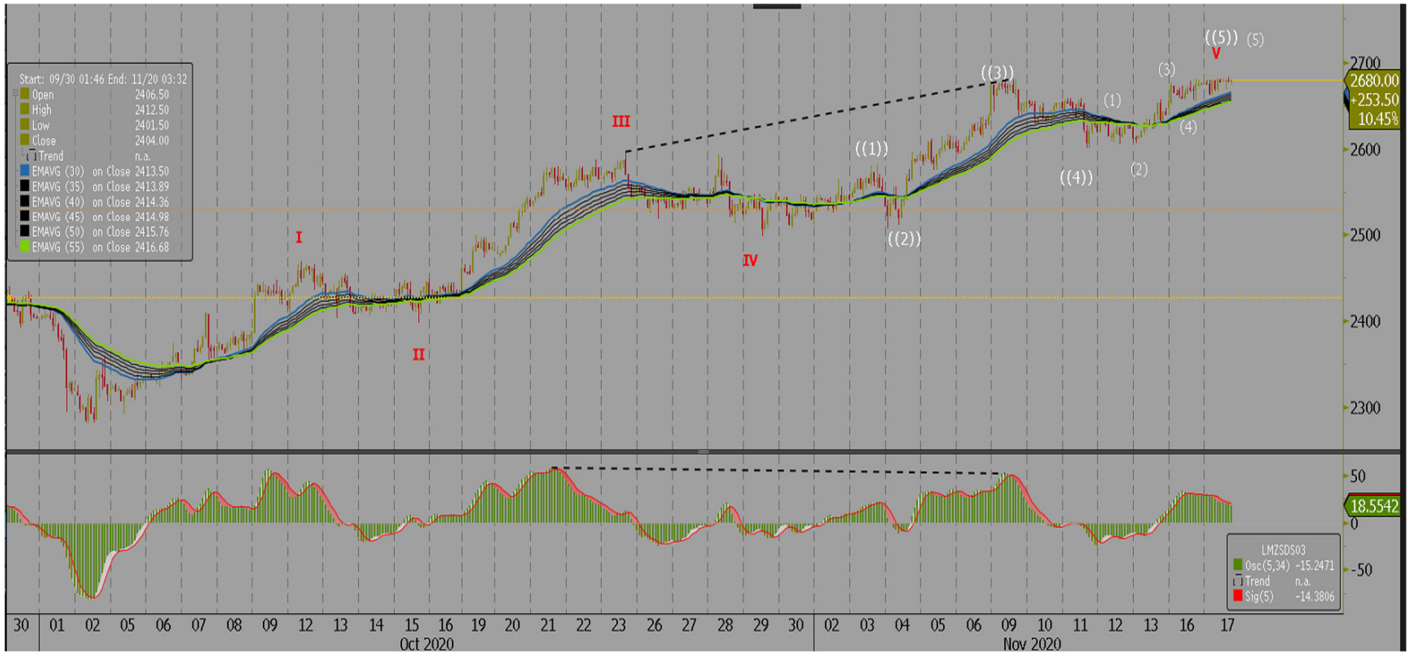
Chart source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is above 50 (67)
- Price is above all key moving averages whilst making higher highs and higher lows
- The technical remains bullish and in trend above all key moving averages with price continuing to make higher highs and higher lows
- Momentum continues to support bullish price action with the stochastic holding above 70 and the RSI above 50. However, price continues to remain in divergence warning we have the potential for a momentum slowdown.
- Aggregate open interest remain high but has started to drop on the current upside move. This would suggest that market longs are starting to exit the market, at this point the drop is small but it is warning that fresh money in the market is less than old money leaving. If aggregate open interest (AOI) continue to drop then it could be an early warning that we are approaching trend exhaustion
- Technically bullish, the divergence and drop in AOI are warning signals that the Elliott wave 5 could soon exhaust

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Zinc Intraday



Synopsis - Intraday

Chart source Bloomberg

- The intraday technical is on a 89 mins chart
- The Elliott wave count on the intraday is of the 5th wave on the daily chart
- The intraday chart is on a wave 5
- Within the 5th wave we are on a 5th wave (and another wave 5 below this (5))
- The technical is showing two divergences. The full wave count includes 4 cycles
- Momentum is seen to be weakening with the cycle based on the divergences, the Elliott wave count looks very close to exhaustion
- based on the daily technical and the intraday technical we are due to enter a corrective/bear phase on the daily chart
- Technically bullish but not a technical buy

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