

FIS Base Morning Intraday Note

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Nickel

Price was in bearish territory yesterday but needed confirmation on the 4-hour candle close. Intraday price remained below the daily pivot with the RSI closing below 56.5, meaning intraday price and momentum were aligned to the sell side. Price has opened below the daily pivot point with the RSI below 50, supporting intraday weakness. The price pullback in the futures is below the USD 16,132 level indicating it is considered as deep, taking the technical phase to neutral and brings into question the bullish intraday Elliott wave cycle. Upside moves that close above the USD 16,182 level with the RSI above the 57.5 level would imply that intraday price and momentum are considered as bullish. However, upside moves that fail to trade above the USD 16,334 level leave the technical vulnerable to further tests to the downside. Price has not made a lower low but the deep pullback has left the technical looking vulnerable to further downside pressure. Resistance is at USD 16,182, USD 16,334, USD 16,717 with support at USD 15,965, USD 15,840 and USD 15,647.

Alu

Yesterday we highlighted that price had entered a bullish wave 5 of an Elliott cycle, with resistance between USD 2,047—USD 2,097 based on the Williams approach. Intraday price remained in bullish territory for the rest of the day with price trading to a high of USD 2,047, the base of the resistance zone. The intraday remains in bullish territory above the daily pivot point supported by a bullish RSI, which remains in divergence. Downside moves that close below the USD 2,028 level with the RSI below 64 (currently 72) would signal a weakening in intraday price; below USD 1,993 the pullback would be considered as deep and the phase neutral, warning we may have seen intraday cycle completion. Resistance is unchanged from yesterday USD 2047, USD 2,072, USD 2,097 with support at USD 2,028, USD 2,010 and USD 1,993.

Copper

Intraday price action continues to remain bullish and in trend; this is supported by a bullish Elliott wave cycle. Price is above the daily pivot point, however the intraday pullback means the RSI is not supporting an bullish upside move at this point, warning that price and momentum are not aligned to the buy side. Downside moves that close on the 4-hour candle below the USD 7,600 would indicate the intraday price is considered as weak. Likewise, upside moves will need to see the 4-hour RSI close at 76 or higher, to be considered as bullish. The caveat, is that price above USD 7,708 has the potential to create a negative divergence, warning we could see a momentum slowdown. The intraday is showing signs that we could potentially enter into a corrective phase soon. Resistance is at USD 7,687, USD 7,708, USD 7,795 with support at USD 7,600, USD 7,493 and USD 7,407.

Zinc

Zinc entered the resistance zone above the USD 2,832 level before closing the day below the pivot point with the RSI in the low 50's, indicating a weak intraday price. Upside moves above that close on the 4-hour candle above the USD 2,803 level with the RSI at 60 or higher would indicate intraday strength. Downside moves that fail to close above the USD 2,803 level leave the intraday technical weakened. Likewise, downside moves below the USD 2,716 level would be below the base of wave 5, signaling the intraday Elliott wave phase has completed. Technically bullish but in divergence with the RSI as on an Elliott 5th wave, Downside moves below USD 2,759 would warn that the current intraday bull cycle may have finished due to the depth of the pullback. Resistance is at USD 2,832, USD 2,867, USD 2,903 with support at USD 2,759, USD 2,716 and USD 2,669.

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Lead

A close below the 2,084 level with the RSI below 66 has taken intraday price into bearish territory. Lead appears to be on an Elliott wave 3 that is extended, within this wave the futures look to be entering into corrective territory (a wave 4 within wave 3, however price needs to pullback further, or at least maintain the current weakness to confirm this). Upside moves above the USD 2,089 level with the RSI at 67 or higher (currently 58) would indicate intraday strength. The Elliott wave cycle would suggest the current corrective mode is countertrend at this point. Resistance is at USD 2,089, USD 2,118, USD 2,166 with support at USD 2,041, USD 2,013 and USD 1,998.

Data source Bloomberg