

FIS Base Morning Intraday Note

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Nickel

Upside moves failed to hold onto gains yesterday with Nickel spending most of the day around the pivot point. Price did not trade below or close below the daily pivot point, keeping it in bullish territory. Intraday price has opened above the daily pivot point and made a new high, meaning we remain in the longer-term Elliott 5th wave which is now officially extending. In Equities, Elliott identifies that the 3rd wave was often the longest, however in commodities it is often the 5th wave as identified by Prechter and Frost, in the book the Elliott Wave Principle. Downside moves that close on the 4—hour candle below the USD 16,398 level with the RSI at 54 or lower would indicate that intraday price is weak and below the USD 16,080 level the technical is considered as neutral. Resistance is at USD 16,617, USD 16,805, USD 17,073 with support at USD 16,398, USD 16,256 and USD 16,080.

Ali

Ali has traded below the USD 2,004 level taking the technical into a neutral phase. Key support is now at USD 1,966, downside moves that trade below this level would take the technical into bearish territory. Likewise, upside moves above the USD 2,054 level would create a higher high in the market meaning the technical is considered as bullish. Price is above the daily pivot point (USD 2,002) but would need the RSI at 57 or higher for upside moves to be supported by momentum, downside moves that close below the USD 2,002 would signal intraday weakness. As with Nickel on last week, we have a potential bullish Gartley pattern in play, warning we could have a near-term test to the upside. Resistance is at USD 2,022, USD 2,033, USD 2,044 with support at USD 2,002, USD 1,983, USD 1,966.

Copper

Price and momentum are currently not aligned. Price is above the daily pivot point but the RSI needs to be above the 65.5 level (Currently 62.65) for momentum to support a bullish upside move. Price above the USD 7,800 level would create a negative with the RSI and warn of a momentum slowdown. However intraday Elliott wave analysis would suggest that downside corrective moves should be considered as countertrend at this point. A close on the 4—hour candle below the USD 7,687 level would mean intraday price and momentum is aligned to the sell side. Resistance is at USD 7,800, USD 7,845, USD 7,931 with support is at USD 7,687, USD 7,635 and USD 7,565.

Zinc

A bullish fractal footprint yesterday with price trading USD 1.00 above out 2,802.5 resistance level yesterday supported a buyers argument. Price has opened above the daily pivot point with RSI support resulting in the market trading above the USD 2,844 high. The RSI is in divergence with price warning of the potential for a momentum slowdown, however the technical is considered as bullish suggesting market pullbacks could be countertrend at this point. Downside moves on the 4—hour candle that close below the USD 2,799 level with the RSI at 55 or lower would mean that intraday price and momentum are aligned to the downside. From a technical perspective the RSI divergence is warning that we are on an intraday wave 5; however upside projections based on the Elliott wave give upside resistance levels at USD 2,936, USD 3,003, USD 3,069 with support at USD 2,799, USD 2,789 and USD 2,769.

Lead

Intraday price and momentum entered bullish territory two days ago with price and momentum aligned to the buy side at this point. Downside moves that close below the USD 2,086 level with the RSI at 57 or lower, would warn of intraday weakness. The technical looks to be potentially in the early stages of a bullish wave 5, with resistance at 2,110, USD 2,138, USD 2,165 and support at USD 2,086, USD 2,071 and USD 2,023.

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