

FIS Base Morning Intraday Note

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Nickel

Price and momentum were not aligned to the buy side yesterday, meaning upside moves failed to hold. The futures entered bear territory in the afternoon session. Downside moves that trade below the USD 17,135 level would create a lower low in the market meaning the intraday futures would be considered as corrective. Below the USD 16,885 level the pullback would be considered as deep and the technical phase neutral. Upside moves on the 4-hour candle that close above the USD 17,408 level with the RSI at 63 or higher (currently 46) would mean that price and momentum are aligned to the buy side, however above the USD 17,880 level the futures would create a negative divergence warning that we have the potential to see a momentum slowdown. Resistance is at USD 17,408, USD 17,880, USD 18,153 with support at USD 17,135, USD 16,885 and USD 16,696.

Al,

The deep pullback had taken the technical into a neutral/bullish phase yesterday, with price and momentum aligned to the sell side. The futures have now made a lower low in the market on the 240 min chart, meaning the intraday is considered as bearish. Upside moves that close on the 4—hour candle above the USD 2,030 level with the RSI 51 or higher (currently 49), would mean price and momentum were aligned to the buy side. Lower timeframe candles (60 min chart) have the potential to produce a positive divergence below the USD 2,003 level. Not a buy signal it is warning the that intraday momentum has the potential to slowdown and produce an upside countertrend move. Resistance is at USD 2,030, USD 2,042, USD 2,052 with support at USD 2,009, USD 1,984 and USD 1,938.

Copper

Price and momentum moved into negative territory yesterday resulting in further downside price action. The pullback is now considered as deep meaning the technical is considered as neutral/bullish and warns that we could potentially be in the early stages of an Elliott wave corrective phase. However, price would need to make a lower low below USD 7,700 to confirm this as the intraday Elliott wave cycle on a lower timeframe (65 min) had suggested that we could have another upside wave before wave completion. Upside moves on the 4—hour candle that close above the USD 7,895 level with the RSI at 60 or higher (Currently 49), would mean price and momentum are aligned to the buy side. Neutral/bullish with price in a corrective phase, making USD 7,700 a key support level. Resistance is at USD 7,895, USD 7,969, USD 8,028 with support at USD 7,792, USD 7,729 and USD 7,700.

Zinc

The upside move in Zinc yesterday had created a negative divergence in the market, with price and momentum needing confirmation on the 4—hour candle that it was aligned to the buy side. Price closed on the 4-hour candle above the USD 2,862 level but did not gain momentum support. This resulted in a strong sell off on the following candle, taking intraday price and momentum into bearish territory. The opening candle has closed above the daily pivot point meaning price and momentum are currently conflicting. Intraday price and momentum are both in negative territory but the 4 hour candle needs to close below the USD 2,844 level to confirm this. Price is currently at USD 2,820 meaning this looks possible at this point. Upside moves on the 4-hour candle that close above the USD 2,844 level with the RSI at 56 or higher (currently 46) would mean price and momentum were aligned to the buy side. Resistance is at USD 2,844, USD 2,900, USD 2,958 with support at USD 2,788, USD 2,759 and USD 2,724.

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Lead

Yesterday we highlighted the strength of the downside move would suggest that the futures were more likely to be on wave 3 of C and this remains our view based on the evidence to hand. USD 1,897 is now the key support to follow, downside moves that trade below this level would take the higher timeframe technical into neutral and bring into question the Elliott wave count. A deep pullback would mean we have potentially seen cycle completion and could be missing a final upside move, However the base of the current wave 3 looks to be at USD 1,777, leaving the technical very subjective below the USD 1,897 level. A close on the 4-hour candle above the USD 1,977 level with the RSI at 42 or higher (currently 29) would mean price and momentum are aligned to the buy side. If the intraday corrective count is correct on the Elliott wave, then the next upside move should be considered as countertrend at this point. Resistance is at USD 1,977, USD 1,994, USD 2,015 with support at USD 1,920, USD 1,897, USD 1,889.