S Base Morning Intraday Note

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Nickel

A strong open has resulted in intraday price and momentum being aligned to the buyside with the 4—hour candle making a higher high in the market. Intraday price is now considered as bullish. Price is above all three pivot resistance levels warning the intraday is overextending (currently USD 17,425). Intraday Elliott wave analysis would suggest that we have entered a wave 5 implying the futures should trade above the USD 17,880 level with a near-term upside target at USD 18,118. Note; this is an intraday Elliott wave count on a 360 min chart, meaning the wave 5 would mean phase completion not cycle completion. Downside moves that close on the 4-hour candle below the USD 16,668 level with the RSI at 47 or lower would mean the intraday futures are considered as technically weak. Resistance is at USD 17,770, USD 17,880, USD 18,188 with support at USD 16,983, USD 16,776 and USD 16,668.

Ali

The futures remain in a corrective wave 4 having produced a an extended wave 3. Intraday price on the 240 min candle has entered bullish territory with price above the daily pivot point (USD 1,985) and the RSI above 46.7 (currently 46.8). However, intraday price and momentum need confirmation on the candle close that price and momentum are aligned to the buyside. Downside moves that close below the USD 1,985 level with the RSI at 42.5 or lower would indicate intraday weakness. Fibonacci support based on the extended wave 3, from the USD 1,793 low to the USD 2,096 high, is at USD 1,980, USD 1,944, USD 1,908 with resistance at USD 1,995, USD 2,010 and USD 2,034.

Copper

The futures entered a countertrend wave 4 on the 22-12-20 with Fibonacci support starting at USD 7,509. Corrective wave 4's have a tendency to complete between the 38.2% - 50% suggesting that the pullback is currently shallow, meaning we could be in a wave B of the corrective phase. Upside moves that fail around (or below) the USD 7,952 level would indicate we have a potential bearish Gartley pattern in play that would support the upside move being a wave B. Upside moves that trade above the USD 8,028 level would confirm the futures are on a bullish wave 5 with upside resistance/target at USD 8,344, USD 8,552 and USD 8,760. Downside moves that close on the 4-hour candle below the USD 7,777 level with the RSI at 48.5 or lower would indicate intraday weakness. Intraday resistance is at USD 8,004, USD 8,028, USD 8,344 with support at USD 7,777, USD 7,708 and USD 7,664.

Zinc

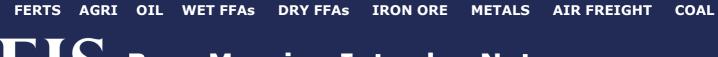
USD 2,722 is a key level for Zinc and it is currently holding. Wave analysis on would suggest we are on a bullish wave 5 with the futures in a corrective phase; downside moves below the USD 2,722 level would suggest phase and potentially wave completion. Intraday price is above the daily pivot point (USD 2,753) with the RSI at 48.8, if the 4-hour candle closes above the daily pivot point with the RSI at 48.3 or higher it would confirm that price and momentum are aligned to the buyside. Resistance is at USD 2,810, USD 2,870, USD 2,900 with support at USD2,753,

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The USD 1,897 level has held keeping the longer – term technical in a bullish phase. Previously the futures looked to be on a wave 3 of C, however the upside move is now considered as deep taking the technical into a neutral phase. Intraday price and momentum are currently aligned to the buyside with near-term resistance at USD 2,059. The fact that we have seen 3 waves down does mean that the current upside move could be a countertrend wave B; however using the Williams approach for calculating the end of a wave 4, the 22-12-20 was a key day which is also the base of the correction, suggesting we are in the early stages of wave 5

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Downside moves that close below the USD 1,986 level with the RSI at 43 or lower would mean price and momentum are aligned to the sell side. A conflicting technical that is not showing a 5th wave on down on the wave C, however the time scale would suggest wave 4 completion, with wave C exactly 161.8% the length of wave A (Prechter & frost), suggesting this is probably a bullish wave 5. Resistance is at USD 2,062, USD 2,079, USD 2,112 with support at USD 1,986, USD 1,970 and USD 1,953.

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