FIS Base Morning Intraday Note

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Copper

The pin-bar rejection at Fibonacci resistance on Friday resulted in the futures closing below the daily pivot point, meaning price and momentum were aligned to the sell side. The futures held above the USD 7,904 level, supporting an intraday buyers argument, resulting in price trading above the daily pivot point. However ,the 4—hour candle is still open with momentum on a resistance level, meaning it is not yet supporting price. A close on the 4 hour candle that closes above the USD 7,986.5 level with the RSI at 53 or higher (currently 52.9) would mean price and momentum are aligned to the buyside. Likewise, a close on the 4—hour candle below the USD 7,986.5 level with the RSI at or below the 49 level would signal intraday weakness. The technical phase is still classed as neutral, above USD 8,115.5 price will have made a higher high suggesting it is entering bullish territory. Resistance is at USD 8,063, USD 8,102, USD 8,152 with support at USD 7,986.5, 7,904 and USD 7,841.

Ali

The futures broke the pennant to the downside supported by price and momentum, resulting in the futures trading to a low of USD 1,982. Momentum remains weak but price is on/above the daily pivot point, meaning we have a price/momentum confliction. A close on the 4—hour candle below the USD 1,993 level would leave the intraday price and momentum vulnerable to further tests to the downside. If the futures close above the USD 1,993 level with the RSI at 48.5 or higher (currently 43.5) then the intraday price would be seen as strengthening. Technically in a corrective phase with price continuing to hold around the USD 1,980 level, downside moves that trade below the USD 1,976 level would target the USD 1,944 level. Resistance is at USD 2,004, USD 2,015, USD 2,026 with support at USD 1,944, USD 1,908 and USD 1,857.

Zinc

The futures broke the USD 2,716 level highlighted on Friday and created a positive divergence, which failed. Price and momentum remain aligned to the sell side though the futures are trading around the daily pivot point at USD 2,712. A close above this level would leave the intraday technical conflicting, unless the RSI is at or above the 44 level (currently 39). The technical remains in a corrective phase with the futures in a support zone, a potential downside target is at USD 2,656 based on Fibonacci projection levels. Resistance is at USD 2,712, USD 2,743, USD 2,770 with support at USD 2,687, USD 2,670 and USD 2651. Upside moves above the USD 2,770 level would create a higher high on the intraday technical, warning the futures would be considered as technically bullish.

Nickel

The new high in the futures had produced a negative divergence last week ,warning we could enter a corrective phase; However, we also noted that lower time frame Elliott wave analysis suggested that any downside moves should be considered as countertrend, which is looking to be the case. Price and momentum are aligned to the buyside with the intraday technical on lower timeframes still leaning towards a buying argument. However, the pullback below the USD 17,818 level, meaning it is considered as deep and the intraday technical is weakened, below the USD 17,517 level the bull cycle would be questioned. Downside moves on the 4—hour candle that close below the 18,095 level with the RSI at 54 or lower (currently 59) would mean intraday price and momentum are aligned to the sell side. Resistance is at USD 18,445, USD 18,746, USD 19,004 with support at USD 18,095, USD 17,818 and USD 17,517.

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Lead

Price and momentum did become aligned to the downside on Friday, resulting in the futures trading down to a low of USD 1,987. A bullish opening candle has left price and momentum conflicting, as price has closed above the daily pivot point. A close above the USD 2,003 level with the RSI at 50.5 or higher (currently 46.2) would mean price and momentum are aligned to the buyside,. Likewise a close below the USD 2,003 level would mean the intraday is considered to be weak. The technical itself remains neutral on the intraday due to strong upside moves followed by deep pullbacks. Resistance is at USD 2,003, 2,017, USD 2,037 with support at USD 1,982, USD 1,955 and USD 1,929.

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