

FIS Base Morning Intraday Note

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Copper

The futures closed above the trend resistance going into the market close with price and momentum aligned to the buyside. Price remains below the high of the candle from the 15/1/21 (USD 8115.5) making this the next logical resistance point. The intraday Elliott wave cycle would suggest there remains the possibility that we could test the 8,238 high based on the current price action (I.E. the breakout). However, it is important to note the downside move between the 8-11 Jan was deep, meaning the upside move is coming from a neutral phase. Caution on a price rejection of the USD 8,152 level as this is a key resistance level for market sellers. Technically we are neutral with a deep pullback and a wave overlap, questioning the validity of a bullish impulse phase. Countering this is the bullish upside price action that broke the symmetrical to the upside that is supported by bullish price and momentum. Based on Elliott's and Prechter and Frost's work, this market is neutral. Based on the Bill Williams method we test the upside USD 8,238 high. With the market being technically conflicting we highlight USD 8,152 as being a key level as a rejection at this point would support a downside move, we would also suggest following the simple following the fractal footprint on the 4—hour chart. The dominant move is the downside wave from the 8—11 Jan, meaning upside moves are currently against the trend, until price trades above the USD 8,238 high. Resistance is at USD 8,115, USD 8,152, USD 8,238 with support at USD 8,027, USD 7,987 and USD 7,904.

Ali

Price and momentum remain aligned to the buyside on what looked to be a countertrend move. The upside moves means the futures have entered into neutral territory and the probability of a final downside moves has decreased. Upside moves above the USD 2,015.5 level would create a higher high in the market meaning the intraday futures would be considered as technically bullish. Downside moves that close on the 4—hour candle below the USD 1,982 level with the RSI at 42 or lower (currently 52) would mean price and momentum would be aligned to the sell side. From a technical perspective the deep pullback is warning that we may have exited the corrective phase. Resistance is at USD 2,000, USD 2,015, USD 2,029.5 with support at USD 1,982, USD 1,976 and USD 1,963.

Zinc

Yesterday we highlighted that we could be seeing a Wave C completion and although not confirmed yet the buyers argument continues to strengthen. Price and momentum remain aligned to the buyside with the futures pullback is now deep into the last bearish wave, suggesting downside moves could be countertrend based on our intraday wave analysis. A close on the 4—hour candle below the USD 2,711 level with the RSI 43.5 or lower (currently 51.5) would mean price and momentum are aligned to the sell side. Resistance is at USD 2,747, USD 2,770 USD 2,819 with support at USD 2,711, USD 2,692 and USD 2,667

Nickel

Yesterday we highlighted we could have another small test to the upside and this has been the case with price with the futures trading up to a high on the open. The 4—hour RSI is in divergence with price at this point. Not a sell signal it is warning that we have the potential to see a momentum slowdown soon. The futures remain technically bullish, the divergence is warning that we could see upside exhaustion soon. Lower time frame wave analysis is still holding in bullish territory meaning we need confirmation that the futures are entering a corrective phase. Downside moves that close below on the 4—hour candle below the USD 18,148 level with the RSI at 54.5 or lower would mean price and momentum are aligned to the sell side. Resistance is at 18,408, USD 18,746, USD 18,668 with support at USD 18,148, USD 18,00 and USD 17,888.

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Lead

Price and momentum remain aligned to the buy side with the futures now testing the trend resistance on the symmetrical triangle. Price did close above the trend line but needs to hold above it to confirm we are not seeing a false breakout. We also have the RSI making a new high that is not being replicated in price. This is known as a bearish hidden divergence and would suggest that a breakout here could fail. A close on the 4—hour candle below the USD 2,031 level with the RSI below the 51 level (currently 56) would mean intraday price and momentum are weak. Resistance is at USD 2,062.5, USD 2,071, USD 2,085 with support at USD 2,031, USD 2,015 and USD 1,999.