

FIS Base Morning Intraday Note

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Copper

Upside resistance levels held yesterday with the futures failing to trade above the USD 8,115 resistance. We highlighted the conflicting signals in the market as the deep pullback and the wave overlap suggested the move was not impulse, whereas the upside break on the symmetrical triangle supported by bullish price and momentum, suggested. Due to the confliction we focused on the dominant down wave, which was the bearish move lower from the USD 8,238 high. We highlighted key resistance at USD 8,152, which would support a weaker argument if it held. Price and momentum are now aligned to the sell side with the futures trading below the symmetrical triangle, supporting intraday weakness. The Elliott wave count is neutral, the dominant wave is bearish, downside moves below the USD 7,909.5 level would create a lower low in the market in line with the fractal footprint suggesting we could test the USD 7,838 support and potentially the USD 7,733 level. Resistance is at USD 8,047, USD 8,094, USD 8,115 with support at USD 7,909, USD 7,838 and USD 7,733

Alu

The deep upside move this week would suggest the probability of the futures making a lower low in the market was decreasing. Price has traded above but failed to hold above the USD 2,000 level resulting in price opening below its daily pivot point. Price and momentum are now conflicting with the futures holding above the top of the Fibonacci support zone. A close on the 4—hour candle below the USD 1,996 level (already below) with the RSI at 44.5 or lower (currently 46.5) would mean price and momentum were aligned to the sell side. Likewise, a close above the USD 1,996 on the 4-hour candle would support a buyers argument. Downside moves that hold in, at or above the Fibonacci support zone (USD 1,983—USD 1,965) would support a buyers argument. Resistance is at USD 2,000, USD 2,015, USD 2,044 with support at USD 1,983, USD 1,975 and USD 1,965.

Zinc

Although we had not had confirmation of the wave C completion our wave analysis suggested that it had complete. The futures have traded down below our previous low meaning our wave count is incorrect, as the futures can only be corrective based on the lower low in the market. Clearly the downside wave 3 of C has extended which needs investigating further. Upside moves that close on the 4—hour candle above the USD 2,720 level with the RSI at 45 or higher (currently 37) would mean price and momentum are aligned to the buyside. Resistance is at USD 2,688, USD 2,700, USD 2,711 with support based on the current price action at USD 2,633, USD 2,606 and USD 2,568.

Nickel

The Divergence yesterday has resulted in a technical sell off with price and momentum now aligned to the sell side. Technically we look to be entering into a corrective phase, the pullback is deep but the futures have not yet broken the USD 18,000 fractal support to make a lower low. The intraday futures are bullish neutral above USD 18,000 and corrective below. Upside moves that close on the 4-hour candle above the USD 18,368 level with the RSI at 58 or higher (Currently 51) would mean price and momentum is aligned to the buyside. Resistance is at USD 18,368, USD 18,531, USD 18,678 with support at USD 18,000, USD 17,790 and USD 17,748.

Lead

The futures failed to hold above the symmetrical triangle due to the bearish hidden divergence we highlighted yesterday, resulting in price and momentum being aligned to the sell side. Downside moves that trade below the USD 1,986 level would create a lower low and support a sellers market. Upside moves on the 4—hour candle that close above the USD 2,041 with the RSI at 54 or higher (currently 47) would mean intraday price and momentum are aligned to the buyside. Resistance is at USD 2,041, USD 2,058, USD 2,068 with support at USD 2,014, USD 1,999 and USD 1,982.