

FIS Base Morning Intraday Note

info@freightinvestor.com | www.freightinvestorservices.com | (+44) 207 090 1120

Copper

The downside move traded below the USD 7,909 level on Friday but failed to trade below the USD 7,838 level. The resulting upside move has taken the futures back into a neutral phase with price and momentum conflicting. Downside moves that close on the 4—hour candle below the USD 7,961 level with the RSI at 47.5 or lower (Currently 49.3) would mean price and momentum are aligned to the sell side. Likewise, upside moves that close above the USD 7,961 level with the RSI above the 51.5 level would mean price and momentum on the intraday is considered as bullish. Price is in the Fibonacci resistance zone with resistance at USD 8,015—USD 8,044, upside moves that fail at or around the USD 8,044 level would remain vulnerable to further downside moves. Above the USD 8,094 level the futures will have broken Fractal resistance meaning the intraday has made a higher high. Note; the futures have not traded below the USD 7,838 level meaning the futures remain within the last dominant bear wave (8—11 Jan), meaning the upside moves is technically considered as countertrend. Resistance is at USD 8,015, USD 8,044, USD 8,094 with support at USD 7,961, USD 7,864 and USD 7,838.

Alu

Price and momentum became aligned to the sell side on Friday but the futures held in the Fibonacci support zone (USD 1,983—USD 1,965) which has supported a buyers argument on the technical. Price and momentum are now aligned to the buy side with the futures at the USD 2,000 resistance once more. Upside moves that trade above the USD 2,006 level would create a higher high in the market and support a strengthening technical argument and above the USD 2,015.5 level the futures will have made a higher high on the 4—hour chart, meaning the intraday technical is considered as bullish. Downside moves that close on the 4-hour candle below the USD 1,987 level with the RSI at 45.5 or lower (currently 52.5) would mean price and momentum are aligned to the sell side and below USD 1,971 the futures would be considered as technically weak. Resistance is at USD 2,000, USD 2,0015.5, USD 2,041 with support at USD 1,987, USD 1,971 and USD 1,945.

Zinc

The futures made a lower low on Friday which created a positive divergence with the RSI warning of a momentum slowdown. Price failed to test the USD 2,633 support but has opened with price and momentum aligned to the buy side. Upside moves on the 4—hour chart that trade above the USD 2,747.50 level would break fractal resistance, create a higher high and be considered as technically bullish. Downside moves that close on the 4—hour candle below the USD 2,694 level with the RSI at 44.5 or lower (currently 50.5) would signal that intraday price and momentum is weakening and warn we remain in a corrective phase; however, below USD 2,655.5 the futures are likely to create a secondary divergence with the RSI meaning the futures would not be considered a technical sell. Resistance is at USD 2,747.5, USD 2,758, USD 2,822 with support at USD 2,694, USD 2,655 and USD 2,633.

Nickel

Intraday price and momentum had been aligned to the sell side on Friday, resulting in a downside move that broke fractal support on the 4—hour chart, meaning price and momentum had entered into bearish territory. The futures however rallied into the close leaving price and momentum aligned to the buy side, with the technical now considered as neutral. Downside moves on the 4—hour candle that close below the USD 18,158 level with the RSI at 53 or lower (currently 56.2) would mean intraday price and momentum is weakening and above the USD 18,515 level the futures will have created a higher high and be considered as technically bullish. However, a new high also has the potential to create a negative divergence meaning that from a technical perspective the futures would not be considered a technical buy whilst the divergence is in play. Resistance is at USD 18,515, USD 18,708, USD 19,258 with support at USD 18,158, USD 17,860 and USD 17,608.

Lead Page 2

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association (“NFA”). Freight Investor Services PTE Ltd (‘FIS PTE’) is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC (‘FIS DMCC’) is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at www.freightinvestorservices.com

FIS Base Morning Intraday Note

info@freightinvestor.com | www.freightinvestorservices.com | (+44) 207 090 1120

Lead

The futures failed to create a lower low resulting in an upside move that closed on the 4—hour candle above the daily pivot point supported by the RSI, meaning price and momentum closed the day aligned to the buy side. The futures have made a higher high and higher low with a near-term upside target at the USD 2,085 resistance. Upside moves above this level would mean the intraday 4-hour chart is considered as technically bullish, with the potential to test the USD 2,138 high from the 30/11/20. Downside moves that close on the 4—hour candle below the USD 2,036 level with the RSI 52 or lower mean intraday price and momentum are aligned to the sell side. Resistance is at USD 2,085, USD 2,125, USD 2,138 with support at USD 2,036, USD 2,010 and USD 1,986.