

FIS Base Morning Intraday Note

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Copper

With price and momentum aligned to the sell side yesterday the futures traded down into our support zone, resulting in a technical push higher. Price did close above the daily pivot point but lacked RSI support, the move subsequently failed below the USD 7,943 resistance leaving the technical vulnerable to further downside moves. The futures and RSI are weak but the current candle is open, a close below the USD 7,845 level with the RSI at 43 or lower (currently 41) would confirm intraday price and momentum weakness. Likewise a close above the USD 7,845 level on the 4—hour candle with the RSI at 47 or higher would mean price and momentum are aligned to the buy side. Downside moves that trade below the USD 7,705 have the potential to produce a positive divergence on lower timeframe charts, warning we could see a momentum slowdown. Note Bloomberg headline 'Copper Bulls Savor a Major Boost as Backwardation Returns'. Resistance is at USD 7,845, USD 7,873, USD 7,943 with support at USD 7,738, USD 7,712 and USD 7,685.

Aluminum

Technically weak yesterday on the back of a deep pullback meant price and momentum was aligned to the sell side. Further downside moves resulted in the USD 1,971 fractal support being broken, creating a lower low. The futures are currently above the daily pivot point, warning price and momentum is conflicting. A close on the 4—hour candle above USD 1,985 level with the RSI 51.5 or higher (currently 49) would mean price and momentum is aligned to the buy side. However, upside moves that fail between the USD 2,006—USD 2,013 resistance zone remain vulnerable to further tests to the downside. Resistance is at USD 2,006, USD 2,013, USD 2,025 with support at USD 1,982, USD 1,971 and USD 1,956.

Zinc

Price and momentum are currently conflicting with the futures continuing to hold at the base of the support zone. Downside moves below the USD 2,552 level have the potential to create a positive divergence, warning we have the potential to see a momentum slowdown soon. Intraday wave analysis would suggest that upside move could be countertrend at this point. If price goes above the USD 2,672 level the technical picture is considered as neutral, price action that fails at or below this level remains vulnerable to further tests to the downside. Upside moves on the 4—hour candle that close above the USD 2,584 level with the RSI 35 or higher (currently 31.5) would mean price and momentum are aligned to the buy side. Likewise, a close below the USD 2,584 level with the RSI at 30.5 or lower would indicate intraday weakness. Resistance is at USD 2,621, USD 2,643, USD 2,672 with support at USD 2,568, USD 2,519 and USD 2,457.

Nickel

Price and momentum remain aligned to the sell side with the upside move yesterday failing at the daily pivot point. The futures have made a lower low in the market but the RSI is showing a small positive divergence. This is not a buy signal but a warning that we have the potential to see a momentum slowdown. Upside moves that close on the 4—hour candle above the USD 17,785 level with the RSI at 47 (Currently 39) would mean intraday price and momentum is strengthening. However, the technical remains vulnerable below USD 18,164 and neutral above. Resistance is at USD 17,906, USD 18,016, USD 18,164 with support at USD 17,370, USD 17,164 and USD 16,955.

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Lead

The futures remain in a corrective phase with price and momentum aligned to the sell side having broken a second fractal support. Upside moves that close above the USD 2,027 level with the RSI at 51.5 or higher would mean intraday price and momentum is aligned to the buy side. However, upside moves that fail at or below the USD 2,055 level remain vulnerable to further tests to the downside, above this level the technical phase is considered as neutral. Resistance is at USD 2,034, USD 2,043 and USD 2,055 with support at USD 2,000, USD 1,987 and 1,938.