

FIS Base Morning Intraday Note

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Copper

Downside price action yesterday took the futures into bearish territory with price and momentum now aligned to the sell side. The Fractal footprint remains bearish supported by the Gartley pattern highlighted yesterday, near-term Fibonacci support starts at USD 7,751. Upside moves on the 4—hour candle that close above the USD 7,827 level with the RSI at or above the 47 level (currently 42) would mean price and momentum are aligned to the buyside. Resistance is at USD 7,827, USD 7,907, USD 7,960 with support at USD 7,751, USD 7,696, USD 7,627.

Alu

As previously highlighted the Fractal footprint of the market is bearish, price and momentum are now aligned to the sell side. The futures have now traded below the USD 1,969 level with price nearing the USD 1,956 support, below this level the futures will target the USD 1,945 level. It is worth noting that lower time frame momentum indicators (60 min chart) are now showing a positive divergence, warning that we could see a momentum slowdown soon. Note; this is a warning and not a buy signal in its own right. Upside moves that close on the 4—hour candle above the USD 1,972.5 level with the RSI at 49.5 or higher (currently 41.5) would mean price and momentum are aligned to the buyside. This would also break fractal resistance as the 4—hour futures will have made a higher high, meaning the intraday timeframe is considered as bullish. Resistance is at USD 1,972.5, USD 1,984.5, USD 2,008.5 with support at USD 1,945, USD 1,936 and USD 1,900.

Zinc

Intraday wave analysis had suggested that upside moves could be countertrend, this has been the case with the futures making a new low. Price and momentum continues to conflict as the current downside move does not have RSI support. The new low has created a positive divergence with price and momentum conflicting. The intraday 4—hour chart is now showing signs on downside exhaustion, meaning and is not considered a technical sell at these levels and we now have the potential to form a base or move higher soon. Upside moves on the 4—hour candle that close above the USD 2,579 level with the RSI at 36 or higher (currently 34) would mean price and momentum are aligned to the buyside. Resistance is at USD 2,579, USD 2,603, USD 2,621 with support at USD 2,551, USD 2,519 and USD 2,457.

Nickel

Having rallied on the positive divergence the futures failed at the USD 18,016 resistance, warning the technical remains vulnerable to further downside moves. Price is now below the daily pivot point but is not supported by the RSI, indicating price and momentum are conflicting. A close on the 4—hour candle below the USD 17,846 with the RSI at 43.5 or lower (currently 46) would mean price and momentum are aligned to the sell side. Likewise, a close above the USD 17,846 level with the RSI above 48 would mean the intraday price and momentum are firming. The upside move failed at resistance yesterday, however the upside move on the 29/01/21 did break Fractal resistance and create a higher high in the market, warning the technical picture has firmed. Downside moves now need to trade below the USD 17,520 level to be considered as bearish. Mixed technical signals at this point, the Fractal is bullish on the back of the divergence on the 29th but price action is failing at resistance levels. Needs clarity. Resistance is at USD 17,846, USD 17,906, USD 18,016 with support at USD 17,728, USD 17,520 and USD 17,306

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Lead

The Fractal footprint remains bearish with the futures looking to test the USD 2,005 support. The futures do have the potential to show some form of divergence below USD 2,005, warning we have the potential for a momentum slowdown. At this point any divergence looks like it could be marginal if it does happen, meaning it could fail just as quickly as it appears. Upside moves on the 4– hour candle that close above the USD 2,029 level with the RSI at 50.5 or higher (currently 45) would mean price and momentum are aligned to the buy side. However, the futures remain vulnerable to further downside moves below USD 2,037 and neutral above. Resistance is at USD 2,024, USD 2,029, USD 2,037 with support at USD 2,005, USD 1,986 and USD 1,979.