

FIS Base Morning Intraday Note

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Copper

Intraday price and momentum remain aligned to the sell side with the futures now in the Fibonacci support zone. Downside moves that trade below the USD 7,705 level would create a lower low in the market, however this is likely to create a positive divergence with price and warn that we have the potential to see a momentum slowdown. A close on the 4-hour candle above the USD 7,771 level with the RSI at 46 or higher (currently 41) would mean price and momentum would be aligned to the buyside. Upside moves that fail at or below the USD 7,870 level remain vulnerable to further tests to the downside. Resistance is at USD 7,771, USD 7,830, USD 7,870 with support at USD 7,705, USD 7,670 and USD 7,627.

Aluminum

The futures traded down to the USD 1,953 level (support USD 1,956) before trading higher on the back of the lower time frame divergence. Upside moves that trade above the USD 1,988 would take the technical into a neutral phase, however price remains vulnerable below the USD 1,996 level. Price action that trades much above the USD 1,995 level has the potential to trade up to USD 2,019. Price and momentum are aligned to the sell side having been neutralized yesterday afternoon. Downside moves that trade below the USD 1,945 level would create a negative divergence in the market and warn we have the potential to see a momentum slowdown, at this point the futures would not be considered a technical sell. Upside moves that close on the 4-hour candle above the USD 1,967 level with the RSI at 49 or higher (currently 44) would mean price and momentum is aligned to the buyside. Resistance is at USD 1,967, USD 1,988, USD 1,996 with support at USD 1,945 (USD 1,945—USD 1,940 is a support zone), USD 1,918 and USD 1,897.

Zinc

Yesterday we highlighted that the downside move was not supported by the RSI. Moves below the USD 2,552 level were likely to create a positive divergence, meaning the futures were not considered a technical sell below this level. A new low failed to hold with price trading up from USD 2,546.5, to USD 2,591. Price and momentum are now aligned to the buyside, however the Fractal footprint remains bearish with the futures vulnerable below USD 2,600 and neutral above. Upside moves above the USD 2,628 level would create a higher high in the market, meaning the intraday 4-hour technical would be considered as bullish. Downside moves on the 4-hour candle that close below the USD 2,565 level with the RSI at 33 or lower (currently 42.5) would mean intraday price and momentum is weak but below the USD 2,546.5 the futures would create a second positive divergence. Resistance is at USD 2,585, USD 2,600, USD 2,628.5 with support at USD 2,565, USD 2,546.5 and USD 2,510.

Nickel

Mixed technical signals yesterday due to the Fractal footprint being bullish, price and momentum were conflicting but resistance levels had held. Price and momentum is now aligned to the sell side but has not made a new low, at this point the technical picture is neutral. Downside moves that trade below USD 17,520 level would be considered as technically bearish but there is the potential the price and momentum could show a positive divergence. Upside moves on the 4-hour candle that close above the USD 17,773 level with the RSI 47 or higher (currently 41) would mean price and momentum are aligned to the buyside. Resistance is at USD 17,773, USD 17,906, USD 18,016 with support at USD 17,520, USD 17,421 and USD 17,260.

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Lead

The Fractal footprint remains bearish with price making a new low. At this point there is a very marginal divergence in the market, warning of a potential momentum slowdown. A close on the 4—hour candle above the USD 2,018 level with the RSI 49.5 or higher (currently 44) would mean price and momentum is aligned to the buy side, above the USD 2,029 level the futures will have made a higher high meaning the intraday technical is turning bullish. Resistance is at USD 2,018, USD 2,029, USD 2,045 with support at USD 1,992, USD 1,984 and USD 1,966.