

FIS Base Morning Intraday Note

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Copper

The futures had moved from bearish to neutral but needed to trade above the USD 8,029.5 level to be considered as bullish. Price and momentum remain aligned to the buy side with the futures above the USD 8,029.5 level indicating the intraday technical phase is now bullish. Downside moves on the 4—hour candle that close below the USD 8,039 level with the RSI 55 (currently 66) or lower would mean price and momentum is aligned to the sell side. However, market pullbacks that hold at or above the USD 7,898 level would support a buyers argument, below this level the pullback would be considered as deep and the technical phase neutral. Near-term upside resistance/target area is at USD 8,157, above this level the futures will target the USD 8,238 level high. The technical looks to have entered a bullish Elliott 5th wave (needs to trade above USD 8,238 for confirmation) the upside move is greater in time and price than previous upside moves, this would support a bullish impulse phase. Resistance is at USD 8,157, USD 8,238, USD 8,464 with support at USD 8,039, 8,000 and USD 7,983.

Al

Technically bullish, price and momentum are aligned to the buy side with price looking to test the USD 2,065 resistance in the near-term. Like the copper futures the upside move is greater in time and price the previous upside moves supporting a bullish impulse wave, suggesting we are in an Elliott 5th wave of this phase. Intraday momentum indicators on lower time frames would potentially show a negative divergence above USD 2,040, however intraday wave analysis would suggest downside moves should be considered as countertrend at this point. A close on the 4—hour candle below the USD 2,028 level with the RSI at 57 or lower (currently 63) would mean the intraday price and momentum is weakening. Downside moves that hold at or above the USD 1,986 level would support a buyers argument, below this level the pullback is considered as deep and the technical phase as neutral. Resistance is at USD 2,065, USD 2,085, USD 2,096 with support at USD 2,028, USD 2,009 and USD 1,999.

Zinc

We highlighted yesterday that we could be in the early stages of a technical pullback and this has been the case with futures trading USD 5.00 below our USD 2,647 support. Intraday price and momentum is again currently aligned to the buy side, however the 4—hour candle/RSI remains open and needs to close above the USD 2,662 with the RSI at 57.5 or higher (Currently 2,676—58.3). Downside moves on the 4—hour candle that close below USD 2,662 with the RSI at or below 53 would indicate that intraday price and momentum are weakening. Resistance is at USD 2,678, USD 2,689, USD 2,701 with support at USD 2,662, USD 2,642 and USD 2,623.

Nickel

Price and momentum remains aligned to the buy side with the futures trading through our near and mid-term resistance levels. The futures are now less than USD 100 away from confirming a bullish 5th wave of this phase. Downside moves on the 4—hour candle that close below the USD 18,138 level with the RSI at 57.5 or lower (currently 64.5) would mean intraday price and momentum is weakening. Wave analysis indicates a bullish 5th wave, upside moves above the USD 18,515 level will have achieved the minimum requirement for wave/phase completion. However, the same analysis gives us near-term upside resistance/target at USD 19,172 with a potential upside target at USD 20,227 (Williams). Resistance is at USD 18,515, USD 18,811, USD 19,172 with support at USD 18,138, USD 18,086 and USD 17,988.

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Lead

Conflicting price and momentum yesterday morning was resolved with the 4 –hour candle closing above the USD 2,053 level, before trading to a high of USD 2,078. Technically bullish with price failing at our USD 2,081 tertiary resistance highlighted yesterday. Upside moves above the USD 2,085 level will be breaking the high of an ascending triangle, suggesting we could look to test the USD 2,138 high. Downside moves that close on the 4—hour candle below the USD 2,066 level with the RSI at 54 or lower (currently 61) would mean intraday price and momentum is aligned to the sell side. Resistance is at USD 2,085, USD 2,096, USD 2,138 with support at USD 2,066, USD 2,055 and USD 2,039.