

FIS Base Morning Intraday Note

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Copper

As highlighted yesterday on the morning and technical report the futures looked to be entering into a bullish wave 5. The futures have now traded above the USD 8,238 resistance confirming that the upside move is a bullish 5th wave. The new high in the futures is not being duplicated by the RSI, creating a negative divergence; the divergence is not a sell signal it is a warning that we have the potential to see a momentum slowdown. Downside moves on the 4-hour candle that close below the USD 8,130 level with the RSI at 61.5 or lower (currently 73.5) would warn that intraday price and momentum are weakening. Based on the Fibonacci projection levels using Elliott wave analysis, upside resistance/targets are at USD 8,446, USD 8,678, USD 8,911 with support at USD 8,130, USD 8,087 and USD 8,018.

Aluminum

Yesterday we highlight in the morning report (and technical report) that Elliott wave analysis would suggest that we are on an unconfirmed Elliott 5th wave. Price and momentum remain aligned to the buy side with the futures moving higher, however at this point we have not traded above the USD 2,096 level. Intraday wave analysis would suggest that market pullbacks should be considered as countertrend at this point. Downside moves that close on the 4-hour candle below the USD 2,051 level with the RSI at 59 or lower (currently 68.5) would mean intraday price and momentum are weakening. Downside moves that hold above the USD 1,998 level would support a buyers argument, below this level the pullback is considered as deep and the technical phase neutral. Resistance/target levels are unchanged from yesterday's technical at USD 2,080, USD 2,122, USD 2,164 with support at USD 2,051, USD 2,039, USD 2,017.

Zinc

Intraday price and momentum was confirmed to the buy side yesterday, resulting in the futures closing on the high of the day. Lower time frame momentum indicators (38 min chart) are in divergence with price. However, the move from the low on the 02/02/21 to the high on the 08/02/21 already point to an intraday cycle completion, this would warn the current divergence could fail and suggest that intraday downside moves should be considered as countertrend at this point. Downside moves on the 4-hour candle that close below USD 2,685 with the RSI at 54.5 or lower (currently 66.5) would warn that the intraday price and momentum is weakening. Note on the daily technical remains in a corrective phase below USD 2,777 and neutral above, based off a previous cycle completion on a higher time frame (see yesterday technical). Resistance is at USD 2,721, USD 2,763, USD 2,777 with support at USD 2,685, USD 2,663 and USD 2,620.

Nickel

The futures have made a new high confirming we are on an Elliott wave 5 of this phase (note this looks to be a wave 5 of a higher time frame wave 3). Price and momentum are aligned to the buy side with the RSI above 50 and supporting the current bull move. Market pullbacks that close on the 4 hour candle below the USD 18,305 level with the RSI at 61 or lower (currently 66) would indicate intraday price and momentum is weakening. Market pullbacks that hold at or above the USD 17,835 level would support a buyers argument, below this level the pullback is considered as deep meaning the technical phase neutral. Resistance is at USD 18,490, USD 18,610, USD 18,915 with support at USD 18,305, USD 18,185, USD 17,835

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Lead

The futures are now above the USD 2,085 resistance, meaning we have broken to the upside on the ascending triangle highlighted yesterday. If the futures can hold above this level then it would have bullish implications going forward and suggest we could test the USD 2,138 resistance. Failure to hold above this level would put the futures back in range and warn we have the potential to see pattern failure. Downside moves on the 4—hour candle that close below the USD 2,079 level with the RSI at 56 or lower (currently 62.5) would warn intraday price and momentum is weakening. Resistance is at USD 2,093, USD 2,113, USD 2,138 with support at USD 2,079, USD 2,059 and USD 2,048.