

FIS Base Morning Intraday Note

info@freightinvestor.com | www.freightinvestorservices.com | (+44) 207 090 1120

Copper

The small negative divergence yesterday resulted in a technical pullback that traded below the USD 9,222 level, signaling momentum weakness based on price that took the futures below the USD 9,114 pivot support. The downside move failed to close below the daily pivot with the USD 8,846 support/target holding. A late rally into the close has seen a new high produced on the opening candle. However, price and momentum are conflicting with the new high creating a secondary divergence, warning that upside momentum continues to slow. Downside moves on the 4—hour candle that close below the USD 9,187 level would mean intraday price and momentum is weak and suggest the USD 9,008 support, and potentially the USD 8,889 level could be tested. Price action below the USD 9,008.5 level would break Fractal support, creating a lower low in the market, indicating the intraday picture is weakening (Note: this area produced the highest volume of the day, suggesting bull buying making it a key support). Upside moves that close above the USD 9,187 level with the RSI at 74.5 or higher (currently 69.5) would mean intraday price and momentum is strengthening. Resistance is at USD 9,263, USD 9,398, and USD 9,558.

Alu

Conflicting price and momentum turned negative yesterday with the futures closing below the USD 2,163.5 daily pivot point, resulting in the futures trading to a low of USD 2,126.5. Fractal support at USD 2,126 has held, keeping the footprint bullish/neutral (neutral due to the depth of the pullback), but price and momentum remain weak. Upside moves that close on the 4—hour candle above the USD 2,153 level with the RSI at 66 or higher (currently 55) would mean intraday price and momentum are strengthening and above the USD 2,164.5 level would indicate buying momentum is increasing based on price. This would give us a near-term upside target at the USD 2,180 resistance, above this level the futures would produce another negative divergence, warning of a potential momentum slowdown. USD 2,126 is the fractal support, below this level the futures will have made a lower low, targeting the USD 2,090 and USD 2,054 support levels. The intraday RSI making a lower low on the open candle, meaning it is producing a very small bullish hidden divergence, to break the divergence the futures will need to trade below the USD 2,126 level.

Zinc

The negative divergence from two days ago has come into play with the futures trading lower yesterday. Price and momentum are now aligned to the sell side, with the futures making lower lows in the market, confirming we are in a corrective phase. Upside moves above the USD 2,851 level would warn that intraday momentum is improving based on price and indicate that the USD 2,873 resistance level could be tested. Upside moves that close on the 4—hour candle above this level with the RSI at 61 or higher (currently 46) would mean intraday price and momentum is strengthening and could target the USD 2,893 resistance. Near-term support is at USD 2,791, USD 2,767, and USD 2,721.

Nickel

The futures have now made a lower low in the market indicating we are in an intraday corrective phase. However, the downside move remains within the last bull wave, making USD 18,675 the key Fractal support. Price and momentum are aligned to the sell side, but the RSI is showing a small bullish hidden divergence, warning we have the potential to see a momentum slowdown. Divergences are not buy/sell signals and need confirmation from other indicators (mainly price). Upside moves that close above USD 19,423 level on the 4—hour candle with the RSI at 65.5 or higher (currently 52.5) would mean intraday price and momentum is aligned to the buy side. Further resistance is at USD 19,802 and USD 20,110. Downside moves below the USD 19,142 level would indicate intraday price is weakening targeting the USD 18,985 and USD 18,675 support levels Lead Page 2

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Lead

Mondays divergence, in conjunction with conflicting price and momentum has lead to a weaker technical picture on the intraday. The pullback is considered as deep but the downside move has held above the USD 2,101 level, meaning the technical is considered as bullish/neutral. Upside moves above the USD 2,138 level would imply momentum is improving based on price, a close on the 4—hour candle above this level with the RSI at 56 or higher would indicate intraday price and momentum is aligned to the buy-side, targeting the USD 2,175 and USD 2,185 resistance levels. Downside moves below USD 2,101 would create a lower low in the market and target the USD 2,089 and USD 2,073 support levels.