

FIS Base Morning Intraday Note

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Copper

Intraday price and momentum became aligned to the sell side yesterday, resulting in the futures trading down to a low of USD 8,908. An upside move in the futures on the open means that price and momentum (P&M) are again conflicting, with the intraday futures in a neutral bearish phase. The longer-term trend remains bullish based on the Elliott wave count (see yesterday's technical report). Upside moves that close on the 4-hour candle above the USD 8,991.5 level with the RSI at or above 53.5 (currently 50) would mean the intraday P&M is starting to strengthen with a near-term upside target the USD 9,199.5 resistance, and potentially the USD 9,288.5 level. Support is at USD 8,884, USD 8,784, and USD 8,704.

Alu

A technical pullback yesterday held above the USD 2,178 level leaving price and momentum (P&M) conflicting. The futures remain bearish neutral with key resistance at the USD 2,243 level, above this point the intraday 4-hour technical will have made a higher high and be regarded as bullish. The Elliott wave cycle on the daily technical would suggest we are potentially in the early stages of a bullish wave 5 of this phase, which will be confirmed if we trade above the USD 2,243 level. The current RSI is at 55, a close on the 4-hour candle above the USD 2,202 with the RSI at or above 56.5 would mean intraday P&M are strengthening, targeting the USD 2,220, USD 2,235, and USD 2,243 resistance levels. Likewise, a close below the USD 2,202 with the RSI at or below 52 would signal intraday weakness, targeting the USD 2,192, USD 2,178, and USD 2,149 support levels.

Zinc

The technical is now considered as neutral/bullish. Having made a higher high, the futures have produced a deep pullback leaving price and momentum conflicting. Upside moves that close on the 4-hour candle above the USD 2,816 level with the RSI at or above the 55 level (currently 53) would mean intraday price and momentum are strengthening, targeting the USD 2,839, USD 2,863 and USD 2,882 resistance levels. Likewise, a close below the USD 2,816 level with the RSI at 50.5 or lower would mean intraday price and momentum is weak. Downside moves that trade below the USD 2,795 level will create a lower low and be considered as bearish, targeting the USD 2,741 support.

Nickel

We remain in range with yesterday's rhetoric unchanged except to highlight the daily technical is holding on the 200 period MA support. Technically the futures remain in a range between USD 16,690 and USD 15,665, with price and momentum once again conflicting. The range means that price and momentum indicators are giving false signals as the market is lacking directional bias. Upside moves above the USD 16,690 level would mean the intraday technical is considered as bullish and below USD 15,665 bearish. A new low however would create a positive divergence in the market, warning of the potential for a momentum slowdown. Resistance is at USD 16,138, USD 16,426, USD 16,690 with support at USD 15,901, USD 15,665, and USD 15,292.

Lead

A downside move in lead yesterday has resulted in range support being broken, meaning the technical has made a lower low and should be considered as bearish. Near-term support is at USD 1,915, USD 1,900, and USD 1,862. The new low has created a positive divergence whilst the futures are finding support on the 200-period daily MA. From a technical perspective the futures are not considered a sell due to the divergence and longer period MA support. Upside moves that close above the USD 1,945 level with the RSI at or above 42.5 (currently 40.5) would mean intraday price and momentum are aligned to the buy side, targeting the USD 1,958, USD 1,980, and USD 2,026 resistance levels.