

# FIS Base Morning Intraday Note

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## Copper

On the open yesterday price and momentum were aligned to the sell side with the futures testing the daily pivot resistance. Price broke through the pivot with today's open being above the USD 8,892 pivot level also. However, the upside move does not have momentum support at this point meaning price and momentum are conflicting. A close on the 4-hour candle above the USD 8,892 level with the RSI at or above the 51.5 level (currently 49.5) would mean intraday price and momentum is strengthening, likewise a close below this level with the RSI at or below the 47 level would warn of intraday weakness. The technical remains rangebound with the daily EMA's, flat indicating a lack of trend. Resistance is at USD 8,950, USD, 8,995 USD 9,019 with support at USD 8,891, USD 8,825, and 8,800.

## Ali

Yesterday we highlighted a bullish rejection candle on the daily chart had resulted in an upside move that suggested we had the potential to test upside resistance, a rising trendline implied we had the potential for an upside breakout. The futures have made a new high but as yet have not seen any form of aggressive follow through, a strong upside move from here would support a bullish breakout. Intraday price and momentum are aligned to the buy side with the 4-hour RSI making a higher high, supporting a bullish move. Lower timeframe Elliot wave analysis is a little unclear as to whether there is the potential for a further upside move within this phase. If the breakout on the daily chart fails to hold and meets selling pressure, the probability of a technical pullback will increase. Downside moves on the 4—hour candle that close below the USD 2,290 level with the RSI at or below the 54.5 level (currently 61.5) would warn intraday price and momentum is weakening. Resistance is at USD 2,318.5, USD 2,334, USD 2,378 with support at USD 2,290, USD 2,275, and USD 2,246. Technically bullish but needs to see some follow through.

## Zinc

Having broken Fractal support the intraday technical has entered bearish territory. An upside move in the futures resulted in the futures trading above the daily pivot point; however, the futures did not have momentum support with price now on the daily pivot point. A close on the 4—hour candle below the USD 2,777 level would mean intraday price and momentum are aligned to the sell side. Likewise, a close above this level with the RSI at or above the 47 level (currently 43) would mean intraday price and momentum are strengthening. The daily chart has been in a holding pattern that looks like it is in a corrective Elliott wave 4, the candle pattern for the last two days looks like it is bullish Harami; However, this pattern should come at the base of a bear trend, so it is not a true Harami, but it does warn we could be seeing a momentum slowdown. Downside moves below the USD 2,751.50 level do have the potential to produce a positive divergence with the RSI so needs to be monitored. Resistance is at USD 2,794, USD 2,819, USD 2,860 with support at USD 2,761, USD 2,736, and USD 2,694.

## Nickel

The technical is now back in range having failed on the upside breakout. Price and momentum are aligned to the sell side with the technical vulnerable to further downside pressure, due to the breakout failure. Upside moves on the 4—hour candle that close above the USD 16,138 level with the RSI at or above the 45.5 level would mean intraday price and momentum are aligned to the buy side. Neutral with the Range now between USD 16,875 and USD 15,665. Like lead, the daily technical is failing to push off the 200-period MA support leaving the market vulnerable to further downside tests.

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## Lead

Intraday price and momentum are in bullish territory but need confirmation from a close above the USD 1,981 level on the 4-hour candle. Downside moves that close below this level with the RSI at or below 50.5 (currently 54) would mean intraday price and momentum are weakening. The futures still need to produce a bullish push away from the average; however, price has now closed above the 8 period EMA for the last 8 consecutive days and the 21 period EMA for the last 2. If the futures can trade above and hold above the 55 period EMA (USD 1,998) it would support a bullish argument, suggesting the 200-period MA support has held. The caveat is that the daily RSI is at 50 with the stochastic overbought, meaning momentum is vulnerable to further tests to the downside. If the futures do break the 55-period average and the RSI can go above and hold above the 50 level the stochastic becomes less relevant as it is faster moving. The technical is still vulnerable but we are now seeing signs of buying support away from the longer-term average, suggesting momentum is improving to the upside based on price.