

FIS Base Morning Intraday Note

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Copper

As highlighted previously the futures remain technically bullish in an Elliott 5th wave. Intraday price and momentum remain aligned to the buy side with a strong upside move on the European open pushing the futures up to USD 9,436. Asian buyers held the daily pivot support with the futures trading to a high of USD 9,453, suggesting we could test the USD 9,617 high in the near-term. The RSI is now in divergence with the stochastic overbought, warning we could see an intraday pullback soon; However, Elliott wave analysis would suggest downside move should be considered as countertrend at this point. A close on the 4—hour candle below the USD 9,302 level with the RSI at or below 61 (currently 66) would mean intraday price and momentum are aligned to the sell side. Resistance is at USD 9,455, USD 9,588, USD 9,617 with support at USD 9,311, USD 9,302, and USD 9,169.

Ali

Having held the USD 2,313 support, the futures traded within USD 3.00 of our USD 2,359 near-term target. A technical pullback yesterday held above the daily pivot point but left intraday price and momentum conflicting, which has remained the case on the open. Upside moves that close on the 4—hour candle above the USD 2,332 level with the RSI at or above the 64 level (currently 61.5) would mean intraday price and momentum are aligned to the buy side; likewise, a close below the USD 2,332 level would indicate intraday P&M are weakening. Elliott wave analysis would suggest we are in the early stages of a bullish wave 5 that started on the 31/03/21, implying the futures should (in theory) challenge and trade above the USD 2,359 resistance, with near-term upside resistance at the USD 2,370, USD 2,388, and a potential upside target at the 61.8% Fibonacci projection USD 2,406. Support is at USD 2,332, USD 2,312, and USD 2,288.

Zinc

Yesterday we highlighted that the futures were showing a negative divergence warning we had the potential for a corrective pullback, and this has been the case. Price did go below and close below the daily pivot point, but the downside move was not supported by the RSI, meaning intraday price and momentum closed the day conflicting. Intraday P&M is once again bullish, but the current candle remains open, a close above the USD 2,860 with the RSI at or above the 55 level (currently 58.2) would confirm this. Likewise, a close below the USD 2,860 level with the RSI at or below 52.5 would mean intraday P&M is weakening. The futures remain below the USD 2,899 level at this point meaning the technical remains within the longer-term range, above this level would suggest we have the potential to test the USD 2,952 level. Resistance is at USD 2,899, USD 2,903, 2,952 with support at USD 2,860, USD 2,835, and USD 2,816.

Nickel

Intraday price and momentum remain conflicting with price testing the daily 200-period average. Price has made a lower low with the futures still in the long-term range between USD 16,875 and USD 15,665.

Lead

Intraday price and momentum remain aligned to the buy side with price trading to a new high on today's open. Intraday Elliott wave analysis would suggest that downside moves should still be considered as countertrend as the futures look to be in an extended Elliott wave 3. lower time frame momentum (RSI) is showing a negative divergence warning we have the potential to see a momentum slowdown and enter a countertrend corrective wave soon. Corrective moves that close on the 4—hour candle below the USD 2,047 level with the RSI at or below 63 (currently 68) would mean intraday price and momentum are aligned to the sell side. Resistance is at USD 2,072, USD 2,090, USD 2,127 with support at USD 2,047, USD 2,032, and USD 2,007.