

FIS Base Morning Intraday Note

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Copper

The upside move yesterday failed to hold with the daily futures producing a bearish rejection candle that has left intraday price and momentum aligned to the sell side. We maintain that the futures look to be on a bullish Elliott wave 5 of this phase with a near-term upside target at USD 9,617. Lower timeframe analysis would suggest that downside moves should be considered as countertrend with support at USD 9,222 and USD 9,141, countertrend moves that hold at or above the USD 9,032 level would support a buyer's argument, below this level the pullback is considered as deep and the technical phase neutral. Upside moves on the 4-hour candle that close above the USD 9,349 level with the RSI at or above the 65 level (currently 57) would mean intraday price and momentum are aligned to the buy side. Resistance is at USD 9,349, USD 9,483, and USD 9,617.

Aluminum

Conflicting price and momentum became bearish at 12.00 P.M. yesterday when price closed below the daily pivot point. The futures traded below the USD 2,312 support indicating we were wrong in our assessment that the futures looked to be in the early stages of a bullish wave 5, as the new low means we must still be in a corrective phase. Near-term support is at USD 2,313 and USD 2,299 with key support at USD 2,280, downside moves that hold above this level would support a buyer's argument, but below this the pullback is considered as deep and the technical phase neutral. A close on the 4-hour candle above the USD 2,321 level with the RSI at or above the 61.5 level (currently 50) would mean intraday price and momentum are aligned to the buy side. Resistance is at USD 2,344, USD 2,356, and USD 2,359.

Zinc

Intraday price and momentum were bullish yesterday, but the candle needed confirmation as it was still open. The 4-hour candle became a rejection candle and closed near its low, leaving P&M conflicting. The following candle was bearish taking intraday P&M into negative territory, firmly back into the longer-term range. Upside moves that close above the USD 2,828 level with the RSI at or above the 54.5 level (currently 44) would mean intraday P&M is aligned to the buy side. Support is at USD 2,770, USD 2,751, USD 2,745 with resistance at USD 2,828, USD 2,853, and USD 2,885.

Nickel

Intraday price and momentum are currently bullish but need confirmation on the candle close above the USD 16,080 level with the RSI at or above the 47 level (currently 47 so marginal), price has held the daily 200-period average. The fractal footprint remains bearish, but the futures are still in the long-term range between USD 16,875 and USD 15,665.

Lead

Yesterday we noted that the futures had made a new high with price looking to be on an extended wave 3, meaning intraday pullback should be considered as countertrend. We also noted that the lower timeframe momentum indicators were showing a negative divergence, warning of a technical pullback which has been the case. Price and momentum are aligned to the sell side with support at USD 2,025, USD 2,013, and USD 1,996. Corrective moves below the USD 1,996 level would be considered as deep meaning the technical phase is entering a neutral phase. Upside moves that close on the 4-hour candle above the USD 2,037.5 level with the RSI at or above 63 (currently 53) would mean intraday price and momentum are aligned to the buy side with further resistance at USD 2,054 and USD 2,066.5.