

FIS Base Morning Intraday Note

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Copper

The futures have made a new high having exited the consolidation phase. Previously neutral, the technical is in bullish territory based on price. Intraday wave analysis has a near-term upside target at USD 10,146; however, price does not have RSI support with the futures continuing to produce a negative divergence with the RSI, not a sell signal it does warn of the potential for a momentum slowdown. Upside moves on the 4—hour candle that close above USD 9,935 with the RSI at or above 67.5 (currently 64) would mean intraday price and momentum are aligned to the buyside. Likewise, below this level with the RSI at or below 63 would mean intraday P&M are weakening. Resistance is at USD 10,133, USD 10,244, USD 10,639 with support at USD 9,935, USD 9,893, and USD 9,786.

Ali

The higher timeframe remains technically bullish with the daily chart above the 8—21 period EMA's and the RSI above the 50 level. Intraday price remains in divergence warning of potential exhaustion in the market as we continue to trade around near-term resistance. Intraday price and momentum are conflicting but nearing bullish territory. If the 4-hour candle closes above the USD 2,430 with the RSI at or above 65.5 (currently 65) then intraday P&M will be considered as bullish. Likewise, a close below this level with the RSI at or below 61.5 would mean intraday P&M is weak. The daily technical is bullish with the intraday warning of momentum weakness, resistance is at USD 2,445, USD 2,463, USD 2,486 with support at USD 2,430, USD 2,419, and USD 2,421.

Zinc

We noted yesterday that the futures remained technically bullish with a near-term potential upside target at USD 3,021. price and momentum are now aligned to the buyside, however the new high yesterday means the lower timeframe technical is now in divergence with the RSI warning we could see a momentum slowdown. Downside moves on the 4—hour candle that close below USD 2,957 with the RSI at or below 58 (currently 62) would mean intraday P&M is weakening. Technically bullish with resistance at USD 2,995, USD 3,021, 3,059 we are seeing warning signs of a potential momentum slowdown. Support is at USD 2,957, USD 2,947, and USD 2,925.

Nickel

The upside move in the futures yesterday resulted in intraday P&M being aligned to the buyside, however the futures remained in divergence, resulting in a late sell off which created a small rejection candle on the daily technical that failed to close above the USD 17,887.5 resistance. Price and momentum are now conflicting as the current upside move on the intraday does not have RSI support, a close on the 4—hour candle above USD 17,750 with the RSI at or above 72 (currently 70) would mean intraday price and momentum are aligned to the buyside. Upside moves above the USD 17,995 level would warn that market buyers are back in control based on price (Larry Williams). However, due to the divergence on the intraday the lower timeframe chart is indicating the market is not considered a technical buy at this point. Resistance is at USD 18,012, USD 18,208, USD 18,488 with support at USD 17,750, USD 17,505, and USD 17,365.

Lead

We noted that the continued upside moves in the futures above our previous target had resulted in wave extension, meaning downside moves should be considered as countertrend which this remains the case. Intraday price and momentum remain aligned to the buyside with the daily futures and RSI making new highs, supporting a near-term bull argument. A close on the 4—hour candle below USD 2,176 with the RSI at or below 64.5 (currently 72) would mean intraday P&M are aligned to the sell side. Resistance is at USD 2,208, USD 2,233, USD 2,289 with support at USD 2,176, USD 2,152, and USD 2,120