

FIS Base Morning Intraday Note

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Copper

The downside move in copper yesterday did not have RSI support, resulting in the futures catching a bid into the close on the back of a weakening intraday USD basket. Price has opened above the daily pivot (USD 9,439) meaning intraday price and momentum (P&M) are now aligned to the buy side. Export growth out of China is supporting the market on the open; however, price is not running and remains below technical resistance, which is at USD 9,558.5, USD 9,632.5, and USD 9,686. Upside moves above the tertiary resistance would break the key fractal, meaning the intraday technical would be considered as bullish. A close on the 4-hour candle below USD 9,439 with the RSI at or below 49 (currently 52) would mean intraday P&M are aligned to the sell side, further support can be found at USD 9,393 and USD 9,347. Longer-term EMA's remain flat indicating a lack of trend.

Aluminum

The futures continue to rise having held support levels last week on the back of the 3-wave corrective pattern. The futures remain within Friday's range meaning the daily chart produced an inside day candle pattern, this is a neutral pattern with directional bias coming from the break of the small candle. Price has broken the upside with intraday P&M aligned to the buy side, suggesting the USD 2,533 fractal resistance could be tested, above this level the intraday technical is considered as bullish with further resistance at USD 2,533 and USD 2,564.5. Downside moves on the 4-hour candle that close below USD 2,488 with the RSI at or below 46 (currently 51.5) would mean intraday P&M is aligned to the sell side, whilst a move below USD 2,466.5 would warn the USD 2,432 level could be tested. A 3-wave corrective pattern that held support would indicate the technical picture is improving, however price now needs to trade above USD 2,533 to make a higher high.

Zinc

Having failed to hold the upside breakout on Friday the futures have become aligned to the sell side. However, 4-hour EMA's between 30 and 60 all remain flat indicating a lack of trend in the market, this is now being replicated on daily technical suggesting intraday P&M signals will be less reliable. Range support is at USD 2,882.5 with resistance at USD 3,000. Price is now respecting Bollinger band support and resistance due to neutrality of market.

Nickel

A corrective move lower yesterday held above the USD 18,386 support with the RSI holding in bull territory. An upside move in the E.U afternoon session put intraday P&M back into bull territory, resulting in price making a higher high. The technical is bullish but the RSI now has two negative divergences in play, one in June and one in July. The divergence is not a sell signal, it is a warning of the potential for a momentum slowdown as they can and do fail. However, this also means the market is not considered a technical buy at this point. A close on the 4-hour candle below USD 18,656 with the RSI at or below 54 (currently 60) would mean intraday P&M are aligned to the sell side. Resistance is at USD 18,910, USD 19,016, USD 19,167 with support at USD 18,656, 18,460, and USD 18,286.

Lead

Lead is starting to show signs of a momentum slowdown with upside price action from Friday failing to hold. Intraday P&M is now aligned to the sell side with the futures looking to test Fibonacci support (USD 2,310, USD 2,302, and USD 2,289), corrective moves lower that hold at or above the USD 2,289 level would support a bull argument, below this level the intraday technical is considered as neutral. Upside moves that close on the 4-hour candle above USD 2,327 will target the USD 2,344 high, further resistance is at USD 2,361. Above USD 2,344 the futures will create a negative divergence, not a sell signal it is warning of the potential for a momentum slowdown.