

FIS Base Morning Intraday Note

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Copper

Copper came under pressure on the E.U. open with price trading to a low of USD 9,316. China's reiteration that it intends to control commodity prices and U.S. CPI figures coming in higher than expected had little effect on the futures. Price did close lower on the day, but the trend remains neutral with the futures below the daily pivot point on the open. Flat EMA's and flat Bollinger bands would indicate a lack of momentum in the market, price is now in a range between USD 9,236—USD 9,632.5 with Bollinger band support and resistance at USD 9,302—USD 9,532.

Ali

As noted yesterday the upside breakout of the inside day on the daily chart warned the USD 2,533 resistance could be tested. Price has now traded to a high of USD 2,547, meaning the intraday technical is considered as bullish with price and momentum aligned to the buyside. A close on the 4-hour candle below USD 2,520 with the RSI at or below 47.5 (currently 55) would mean intraday price and momentum (P&M) are aligned to the sell side. Corrective moves lower that hold at or above USD 2,471 would support a bull argument, below this level the pullback is considered as deep and the technical phase neutral. Resistance is at USD 2,547, USD 2,561, USD 2,581 with support at USD 2,520, USD 2,503, and USD 2,489.

Zinc

Zinc came under pressure yesterday with the futures trading to a low of USD 2,904 on the back of the CPI data which pushed the USD basket higher. The downside move failed to hold with the opening candle trading above the daily pivot (USD 2,932), meaning intraday P&M are conflicting. The EMA's remain flat with price holding the USD 2,915 Bollinger band support on the open, upper band resistance is at USD 2,977. The futures remain neutral with P&M indicators continuing to give false signals, Resistance is at USD 2,960, USD 2,977, USD 2,986 with support at USD 2,915, USD 2,906, and USD 2,878.

Nickel

As noted yesterday the futures had two negative divergences in play, resulting in the futures producing a technical pullback. The downside move held above the USD 18,398 level meaning the futures remain in bull territory, however intraday price and momentum have become aligned to the sell side on the open. A close on the 4-hour candle above USD 18,702 with the RSI at or above the 58.5 level (currently 55.5) would mean intraday P&M are aligned to the buyside. Support remains unchanged at USD 18,594, USD 18,511, USD 18,398 with resistance at USD 18,860, USD 18,910, and USD 19,016.

Lead

We noted yesterday that Lead was showing signs of a momentum slowdown, and this has been the case. Price has traded below the USD 2,289 level meaning the intraday pullback is considered as deep and the technical phase neutral, intraday P&M are now aligned to the sell side. Upside moves on the 4-hour candle that close above USD 2,311.5 with the RSI at or above 57 (currently 48) would mean it is aligned to the buyside. Downside moves that trade below the USD 2,264 level would break fractal support, creating a lower low, at this point the intraday technical would be considered as bearish. Resistance is at USD 2,311.5, USD 2,330, USD 2,344 with support at USD 2,274, USD 2,264, and USD 2,236. Note the USD 2,274 level is a secondary pivot support level and the lower Bollinger band support, suggesting downside moves that test this level could find intraday buyers looking for an opportunity to scalp the market.