FIS Base Morning Intraday Note

info@freightinvestor.com | www.freightinvestorservices.com | (+44) 207 090 1120

Copper

Copper is trading above the daily pivot point with intraday price and momentum conflicting. The futures have moved higher on the back of Chinese data pointing to a steady recovery and Powell's comments that more economic progress is needed before stimulus cand be pared back (Bloomberg). Price is up having held Bollinger band support on the open but the technical itself is neutral and in range. We are now seeing a Bollinger band squeeze on the daily chart with the band width (standard setting 20,2,2) now at the lowest point this year. The daily bands are warning we have the potential to see a volatility breakout soon, be aware of a possible head fake, downside moves that create a positive divergence would suggest the move is likely to be bullish and vice versa. Intraday support and resistance on the Bollinger Bands is USD 9,323 and USD 9,521. For more information on the BB squeeze please follow the link <u>https://www.investopedia.com/articles/technical/04/030304.asp</u>

Ali

Having created a new high, the futures entered an intraday consolidation, meaning the daily chart has produced another inside day pattern, this gives us support and resistance (breakout levels) at USD 2,514—USD 2,547. In theory a breakout should give you directional bias, with the breakout leaning in the direction of the initial trend around 62% of the time in equities (Bulkowski), confirmation will come on the close of the daily candle as this will avoid potential false breakouts. Intraday price and momentum are aligned to the buyside with the RSI above 50 in bull territory, upside moves above USD 2,547 will target the USSD 25,64 and USD 2,581.5 resistance levels. Downside moves on the 4-hour candle that close below USD 2,522 with the RSI at or below 48.5 would mean intraday price and momentum are aligned to the sell side. Support is at USD 2,522, USD 2,503, and USD 2,489.

Zinc

The futures have been and remain in a neutral environment, in a range between USD 2,882.5—USD 3,000. Having previously failed to hold the upside break the futures retraced to, but held above the USD 2,898 Fibonacci support, resulting in an upside move in the futures. Intraday price and momentum are aligned to the buyside on the back of the upside move, however the candle remains open and needs confirmation on a 4-hour close above USD 2,925 with the RSI at or above the USD 51.5 (currently 52). A close below this level with the RSI at or below 47 would mean P&M is aligned to the sell side. A close on the 4-hour candle that holds above the USD 3,000 level would warn the USD 3,037 fractal resistance could be broken, at this point the intraday futures would be considered as bullish and target the USD 3,075 level. Support is at USD 2,925, USD 2,882.5, and USD 2,843.

Nickel

Support levels were tested on the open, but price has held above the 18,398-level, meaning the intraday technical remains in bullish territory. The following upside move has put price above the daily pivot point, intraday price and momentum are now conflicting. A close on the 4-hour candle above USD 18,641 with the RSI at or above 57.5 (currently 55) would mean it is aligned to the buyside; likewise, a close below this level would mean it is aligned to the sell side. Upside moves above the USD 18,860 level still have the potential to create further negative divergences and will need to be monitored. Resistance is at USD 18,763, USD 18,860, USD 18,941 with support at USD 18,641, USD 18,470, and USD 18,341.

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at <u>www.freightinvestorservices.com</u>



info@freightinvestor.com | www.freightinvestorservices.com | (+44) 207 090 1120

Lead

The futures failed to test the USD 2,274 support level yesterday with price moving sideways. Intraday P&M is conflicting and needs to close on the 4-hour candle above USD 2,299 with the RSI at or above 56.50 to confirm this (currently 56). Likewise, a close below this level with the RSI at or below 52.5 would mean it is aligned to the sell side. Resistance is at USD 2,324, USD 2,340, and USD 2,344. Above USD 2,344 we have the potential to produce a negative divergence with the RSI. Support is at USD 2,299, USD 2,288, and USD 2,274.

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at <u>www.freightinvestorservices.com</u>