

FIS Base Morning Intraday Note

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

Copper

Having failed to trade above the USD 9,632.5 level the futures have opened below the trend resistance it broke last week. Intraday price and momentum are aligned to the sell side, with the price looking to test the USD 9,347 support, below this level we target the USD 9,270 level. Upside moves on the 4-hour candle that close above USD 9,457 with the RSI at or above USD 52.5 (currently 50) would mean intraday P&M are aligned to the buy side; however, the longer-term EMA's are flat warning we could continue to see false P&M signals. Resistance is at USD 9,457, USD 9,632, and USD 9,686.

Al

The inside day candle pattern broke to the downside last week before initially rejecting the downside move to push the futures back into a consolidation phase. Price failed to hold above the daily pivot point resulting in the futures closing near the low of the day. Intraday P&M are aligned to the sell side but currently holding above the USD 2,480 support, this means price remains within the range of the candle from the 13/07/21 (USD 2,547, USD 2,480), making this a key support level. Downside moves below this level would warn the USD 2,471, USD 2,432 support levels could be tested. Upside moves on the 4-hour candle that close above USD 2,500 with the RSI at or above 52 (currently 49.5) would mean intraday P&M are aligned to the buy side with near-term resistance at USD 2,529 and USD 2,547. Technically weakening but needs to break the range of the candle from the 13th.

Zinc

The futures moved higher on Friday to close on the 4-hour candle above the USD 3,000 range resistance; however, price has failed to hold resulting in intraday P&M conflicting. Upside moves that close on the 4-hour candle above the USD 2,985 level will target the USD 3,009 and USD 3,037 resistance levels, above the tertiary resistance the futures will have made a higher high and be considered as bullish. Downside moves that close below the USD 2,985 level with the RSI at or below 51 would indicate P&M are aligned to the sell side. Shorter-term EMA's have started to separate but the longer period averages, although turning slightly higher remain congested, meaning that although moving higher there is no established trend at this point. Downside moves the close on the 4-hour candle below USD 2,985 with the RSI at or below 51 (currently 53.5) would mean intraday P&M is weakening. The technical continues to test to the upside but again is failing to hold, EMA's have improved but we need to see higher pricing if we are going to move into a trending environment. Support is at USD 2,968, USD 2,956, and USD 2,939.

Nickel

As highlighted on Friday the ATR signaled a volatility expansion warning the intraday futures had the potential to correct or consolidate. Price had initially sold off before moving sideways, intraday P&M remains aligned to the buy side having tested and held the USD 18,990 pivot support on the open. Upside moves that trade above and hold above the USD 19,167 resistance will target the USD 19,360 and USD 19,603 levels. A close on the 4-hour candle below USD 18,990 with the RSI at or 56 (currently 61) would mean P&M are aligned to the sell side. Corrective moves lower that hold at or above the USD 18,691 level will support a bull argument, below this level the pullback is considered as deep and the technical phase neutral. Technically we remain bullish, we do have a longer-term divergence with the RSI dating back to late June, but this has been in play for the last USD 600. The divergence is not a sell signal but a warning that momentum could slow down. Support is at USD 18,990, USD 18,907, and USD 18,815.

FIS Base Morning Intraday Note

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

Lead

Sideways action with the 5-period 4-hour ATR at 10 implying the market is in a consolidation phase. Intraday price and momentum are aligned to the sell side with price testing the USD 2,310 support. Further support can be found at USD 2,302 and USD 2,289. Upside moves on the 4-hour candle that close above USD 2,319 with the RSI at or above 56.5 (currently 51.5) would mean intraday P&M are aligned to the buy side with a near-term target at the USD 2,340—USD 2,344 resistance zone. A new high will create a negative divergence with the RSI, meaning that although technically bullish the futures would not be considered a technical buy.