

FIS Base Morning Intraday Note

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

Copper

The downside move yesterday failed to hold with the RSI halting just above 44 leaving intraday price and momentum conflicting. Price has rallied with the futures trading above the USD 9,376 level meaning the intraday technical is neutral, upside moves above the USD 9,507 level would break a minor fractal resistance warning the USD 9,632 and USD 9,686 resistance levels could be tested. Only above the tertiary resistance is the technical considered as bullish. Longer period EMA's remain flat, indicating a lack of trend in the market, making the intraday P&M signals less reliable. The RSI is above 50 with the stochastic overbought, the 21 period ROC (Rate of Change) is around the zero level, again supporting a neutral market. Support is at USD 9,330, USD 9,260.5, and USD 9,222. With the market remaining in range, we feel that Bollinger bands are worth adding to the technical picture at this point.

Ali

The fractal footprint remains bearish but intraday P&M signals are currently aligned to the buy side; However, the futures are failing to hold above the Fibonacci resistance zone (USD 2,462, USD 2,476, and USD 2,496), upside moves that fail at or below the USD 2,496 level remain vulnerable to further tests to the downside. Above this level the pullback is considered as deep into the last bull wave meaning the technical is considered as neutral. Downside moves that close on the 4-hour candle below USD 2,447 with the RSI at or below 40.5 would mean intraday price and momentum are aligned to the sell side, suggesting the USD 2,120, USD 2,405, and USD 2,390 support could be tested. Technically bearish the previous upside move consisted of 18, 4-hour candles and rallied USD 115. The current upside moves are only 6 candles and rallied only USD 55, if we trade above USD 2,471 this will become 16 candles. Upside moves that are greater in time or price than the previous upside move would warn that that upside momentum could be turning bullish.

Zinc

The futures continued to weaken yesterday with price trading below the USD 2,930 support, however price has held above the USD 2,915 level meaning we remain bullish neutral at this point. Downside moves below the USD 2,915 level would take the technical into bearish territory warning the USD 2,904 - USD 2,882.5 support levels could be tested. The futures have created a 3-wave corrective pattern with the initial downside wave trading below but closing above the 61.8% Fibonacci retracement, whilst the second wave has held at the 78.6% Fibonacci retracement. This is not a perfect bullish Gartley pattern, but it looks like Gartley, and smells like Gartley, warning we could be about to see a bullish upside move. Intraday price and momentum are now conflicting as the futures are above the USD 2,941 Fibonacci support, if we close above this level with the RSI at or above 52.5 (currently 50.5) then P&M becomes aligned to the buy side. Resistance is at USD 2,956, USD 2,968, and USD 2,984.

Nickel

The divergence yesterday warned that we could see a momentum slowdown, and this has been the case. The futures have created a 5-wave pattern down with intraday P&M now aligned to the buy side whilst price is making a higher high, meaning the intraday technical is considered as bullish. If the upside moves fails at or below the USD 18,888 level the futures will remain vulnerable to further tests to the downside, warning we could be witnessing a complex A, B, C corrective pattern. Above this level the futures will target the USD 19,005 and USD 19,205 resistance levels. Downside moves on the 4-hour candle that close below the USD 18,513 level with the RSI at or below 47 (currently 52) would mean intraday price and momentum are aligned to the sell side. Further support can be found at USD 18,275, USD 18,103, and 17,693.

FIS Base Morning Intraday Note

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

Lead

As noted yesterday the futures were considered as bullish with intraday P&M aligned to the buy side. Price has now traded to a new high which has created a negative divergence with the RSI, warning that we have the potential for a momentum slowdown. Divergences are not selling signals and need confirmation from either price or a non-affiliated technical indicator (I.E not another momentum indicator). Downside moves that trade at or below USD 2,330 with the RSI at or below 52.5 (currently 59.5) would mean intraday P&M are aligned to the sell side. Corrective moves that hold at or above the USD 2,320 level would support a bull argument, below this level the technical is considered as neutral whilst below USD 2,305 the technical is considered as bearish. Resistance is at USD 2,349, USD 2,381, and USD 2,422.