

FIS Base Morning Intraday Note

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Copper

As noted on the technical on the 03/08/21 we believed that the upside move had been a countertrend wave B (Elliott wave) with momentum warning we could have a further test to the downside. The futures continued to move lower with price finding support at the 200-period daily MA. Intraday P&M are currently conflicting with price below the daily pivot point, the recent upside move has found resistance at the 4-hour, 200-period MA at USD 9,440. The intraday upside move is deep into the last bear wave meaning the technical is considered as neutral; however, the intraday Elliott wave analysis is suggesting we have the potential for a further test to the downside. The RSI at 49.8 is neutral with the stochastic oversold, momentum is warning we have the potential for further tests to the upside. A close on the 4-hour candle above USD 9,315 with the RSI at or above 52 would mean intraday P&M are aligned to the buy side, likewise a close below this level would mean it is aligned to the sell side. Resistance is at USD 9,315, USD 9,440, USD 9,620 with support at USD 9,166, USD 9,085, and USD 8,974. The deep upside move with the RSI at 50 and an oversold stochastic means price and momentum are conflicting with the Elliott wave count. Technically neutral bearish, the RSI needs to go below and hold below the 50 level for downside continuation.

Aluminum

Having previously held between the USD 2,632-USD 2,642 resistance the futures traded down to the USD 2,516 level. Intraday P&M are aligned to the buy side with near-term resistance between USD 2,638-USD 2,642, above the level the futures will target USD 2,652 and USD 2,670. A new high will create a negative divergence with the RSI on both the intraday and daily technical, not a sell signal it does warn we have the potential for a momentum slowdown, meaning the futures would not be considered a technical buy. Downside moves on the 4-hour candle that close below USD 2,617.50 with the RSI at or below 51.5 (currently 55) would mean intraday P&M are aligned to the sell side, further support can be found at USD 2,592 and USD 2,577. Technically bullish but not considered a technical buy on a new high.

Zinc

The daily technical has broken fractal support followed by a deep upside move into the last bear wave, the technical is now considered as bearish neutral. Intraday P&M are aligned to the sell side with the RSI below 50 and the stochastic oversold, corrective moves lower that hold at or above the USD 2,960 level would support a bull argument, below this level would warn we could see a further weakening in price. Upside moves on the 4-hour candle that close above USD 2,998 level with the RSI at or above 53 (currently 48) would mean intraday P&M are aligned to the buy side. Resistance is at USD 2,998, USD 3,021, and USD 3,046 with support at USD 2,976, USD 2,960, and USD 2,944. Note: price is on the 4-hour 200-period MA, which for a flat average has been respected 11 times since the 30/06/21, warning we could see some intraday buying support around this level.

Nickel

The daily technical is neutral bearish, price has broken fractal support to create a lower low, but the upside move is considered as deep into the last bear wave. Intraday P&M are aligned to the sell side with the futures trading below the USD 18,664 support warning that the technical has the potential to weaken further. However, the stochastic is oversold with price trading above the high of the previous 4-hour candle. Upside moves that close on the 4-hour candle above USD 19,931 with the RSI at or above 49.5 (currently 47) would mean intraday P&M are aligned to the buy side. Resistance is at USD 19,931, USD 19,055, USD 19,282 with support at USD 18,664, USD 18,546, and USD 18,345. Bearish neutral, the daily chart has produced a 3-wave pattern lower since the 30/07/21, meaning we could potentially be in the early stages of the next bull move.

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Lead

The longer-term EMA's on the daily technical are starting to converge, warning that the trend is becoming less stable. The futures have produced a 5-wave pattern lower suggesting the upside move we are seeing is potentially a countertrend wave B. Intraday P&M are conflicting as price is below the daily pivot point (USD 2,294), a close above this level with the RSI at or above 50.5 (currently 49.75) would mean intraday P&M are aligned to the buy side. Likewise, a close below this level with the RSI at or below 46 would mean it is aligned to the sell side. Resistance is at USD 2,294, USD 2,320, USD 2,350 with support at USD 2,265, USD 2,239, USD 2,183.