

FIS Base Morning Intraday Note

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Copper

As noted on last night's E.U close report the futures remain technically bullish with price looking like it could be in the early stages of an Elliott wave 5th. However, the near-term technical warned it needed to see a pullback soon. Price opened unchanged to yesterday's close but came under selling pressure to put the futures below the daily pivot point, intraday price and momentum are now conflicting. Downside moves that hold at or above USD 9,362 will support a bull argument, below this level the pullback is considered as deep, meaning the intraday technical is neutral. A close on the 4-hour candle below USD 9,502 with the RSI at or below 53 (currently 53.8) would imply intraday P&M are aligned to the sell side. Likewise, a close above this level with the RSI at or above 58 would mean it is aligned to the buy side. Resistance is at USD 9,502, USD 9,546, USD 9,579 with support at USD 9,407, USD 9,362, and USD 9,327.

Ali

Ali headlines are bullish with price at its highest level in a decade on the back of continuing concerns around the supply. However, the technical although bullish and in trend, continues to produce a negative divergence with the RSI (divergence dates to Jul 30th). This does not mean the market is a technical sell, it is a warning that we have the potential to see a momentum slow-down, if the divergence fails then the technical and fundamental will be aligned, but at this point the upside move does not have technical support. Intraday price is now trading below the daily pivot point (USD 2,704) indicating intraday P&M are conflicting, a close below this level on the 4-hour candle with the RSI at or below 58.5 (currently 62) would mean intraday P&M are aligned to the sell side. Likewise, a close above this level would imply it is aligned to the buy side. Resistance is at USD 2,726.5, USD 2,746, USD 2,760 with support at USD 2,675, USD 2,660, and USD 2,638.

Zinc

The futures are now showing signs of consolidation with price moving sideways. We remain above the 200-period MA on the 4-hour technical but intraday P&M are aligned to the sell side at this point. The longer-term trend is also considered as neutral with price in a range between USD 3,059.5—USD 2,916.50. Downside moves that hold at or above USD 2,960.5 will support a bull argument, below this level would warn the USD 2,940 and USD 2,916 support levels could be tested. Upside moves on the 4-hour candle that close above the USD 3,002 level with the RSI at or above 53.5 (currently 48.5) would mean intraday P&M are aligned to the buy side. Further resistance can be found at USD 3,020 and USD 3,036.

Nickel

The support window remains open (USD 19,345-USD 19,050) but is getting smaller having seen downside price action on the open. Intraday P&M are now conflicting as price is below the USD 19,621 daily pivot, upside moves that close above this level would mean it is aligned to the buy side. Corrective moves lower that trade below USD 19,050 will close the bull window whilst below USD 19,034.5 the pullback would be considered as deep, meaning the technical phase will be considered as neutral. Resistance is at 19,621, USD 19,810, 20,331 with support at USD 19,361, USD 19,222, and USD 19,034.

Lead

Intraday price and momentum remain aligned to the sell side with the futures trading to a low of USD 2,247 into the U.S. close. Short-term momentum indicators on the daily chart continue to look oversold at this point, warning that we have the potential for an upside move. A close on the 4-hour candle above USD 2,266 with the RSI at or above 48.5 (currently 44) would mean intraday P&M are aligned to the buy side. Upside moves above the USD 2,329.5 level will target the USD 2,343 fractal resistance, at this point the daily technical is considered as bullish. Support is at USD 2,241, USD 2,218, and USD 2,170.