

FIS Base Morning Intraday Note

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Copper

Having previously traded above the USD 9,242 resistance level to take the technical into neutral territory the futures immediately entered a corrective phase. The downside move is not based on the technical but the nervousness in the Chinese property sector, after Fantasia Holdings Group failed to pay a USD 205.7 million bond. The pullback in the technical is below the USD 9,047 support which in theory would suggest the USD 8,876 support could be tested. However, it is worth noting yesterday's downside moves held the USD 9,047 support with the current downside move holding the USD 8,984 support, this means we have a 3 wave corrective move lower that is potentially a bullish Gartley pattern. If we trade below USD 88,76.5 then the pattern has failed meaning we target the USD 8,740 support. Upside moves on the 4-hour candle that close above USD 9,155 with the RSI at or above 48.5 (currently 44.5) would mean intraday price and momentum are aligned to the buy side. Failure to trade above the USD 9,253 will leave the technical vulnerable to further tests to the downside. Resistance is at USD 9,155, USD 9,195, and USD 9,253.

Ali

The futures have traded above the USD 2,925 level to a high of USD 2,929 twice, creating a tweezers top in the market. Upside moves above this level will target the USD 2,944 and USD 2,977.5 resistance levels. Intraday P&M are now conflicting having had a small sell off in Asian hours, a close above USD 2,915 on the 4-hour candle would mean it is aligned to the buy side. Likewise, a close below this level with the RSI at or below 49 (currently 53) would mean it is aligned to the sell side. Upside moves above the USD 2,946.5 fractal resistance will target the USD 2,977.5—USD 3,000 resistance zone. Support is at USD 2,889, USD 2,877, and USD 2,860.

Zinc

The downside move in the futures yesterday left intraday P&M conflicting, however the RSI support held resulting in the futures rallying into the E.U close, meaning it has become aligned to the buy side. The technical remains vulnerable below USD 3,085, above this level is considered as bearish/neutral. Downside moves on the 4-hour candle that close below USD 3,037 with the RSI at or below 44.5 (currently 50.5) would mean intraday P&M are aligned to the sell side. Technically bearish, resistance is at USD 3,042, USD 3,060, USD 3,085 with support at USD 3,037, USD 3,012, and USD 2974.50.

Nickel

Price continues to move sideways to slightly high, intraday P&M is now aligned to the buy side. The shorter period EMAs are now flat but the longer—period (30—60) remain stable, suggesting upside resistance could hold in the near-term. A close on the 4-hour candle below USD 18,013 with the RSI at or below 39 (currently 44) would mean intraday P&M are aligned to the sell side. Upside moves that fail at or below USD 18,919 will leave the technical vulnerable to further test to the downside, above this level the technical is considered as neutral bearish, above USD 19,545 it will be considered as bullish. Resistance is at USD 18,407, USD 18,625, USD 18,919 with support at USD 17,876, USD 17,705, and USD 17,613.

Lead

The trend remains neutral bearish with price entering a consolidation phase, intraday P&M are now conflicting, a close above USD 2,157 on the 4-hour candle would mean it is aligned to the buy side. Likewise, a close below this level with the RSI at or below 47 (currently 51) would mean it is aligned to the sell side. Price has rallied from the low on a positive divergence with the longer period EMA's now compressed, this implies the intraday bear trend is no longer stable and could potential be about to transition to the upside. Above USD 2,191.5 the intraday technical is considered as bullish. Resistance is at USD 2,191, USD 2,216, USD 2,251 with support at USD 2,130, USD 2,117, and USD 2,099.