



Base Morning Technical Report

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

China

China's bank and property stocks rose after regulators sought to defuse a growing consumer boycott of mortgage payments by urging banks to increase lending to developers so they can complete unfinished housing projects.

The guidance from the China Banking and Insurance Regulatory Commission was issued in response to the boycotts and is aimed at expediting the delivery of homes to buyers, a newspaper published by the watchdog reported Sunday, citing an unidentified senior official at the agency. (Bloomberg).

Cu

Copper extended its recovery from last week's slump below \$7,000 a ton, with investors monitoring the latest on China's economy and real-estate troubles.

Metals are clawing back some of the losses that incurred last week amid deepening gloom over China's economic recovery. The head of the country's central bank said authorities would step up implementation of prudent monetary policy, while a separate report pointed to help for developers with unfinished projects. (Bloomberg)

Copper Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	7,319	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA Resistance band (Black EMA's)
- RSI is below 50 (44)
- Stochastic is at 50
- Price is above the daily pivot point USD 7,130.5
- Technically bearish on Friday with price in divergence and a long-dated support zone (2017—2018). The futures traded below the USD 7,003 support but failed to hold, resulting in price moving higher during the day, and on the Asian open. Price is below the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 7,130.5 with the RSI at or below 57.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 7,607 will leave the futures vulnerable to a test to the downside, above this level the technical will have a neutral bias.
- Downside moves below USD 6,955 will target the USD 6,686 support; however, price will remain in divergence on a new low.
- Technically bearish the futures are moving higher on the back of the positive divergence with price and momentum aligned to the buyside. We are seeing price trade above the previous days high for the first time since 07/07, warning resistance levels are starting to look vulnerable.

Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,362.5		RSI below 50
S2	R2			
S3	R3			

Source Bloomberg

Synopsis - Intraday

- Price is below/on the EMA resistance band (Black EMA's)
- RSI is below 50 (47)
- Stochastic is above 50
- Price is above the daily pivot point 2,339
- The futures have moved higher on the back of the positive divergence with price trading in the consolidation area highlighted on Friday. Price is on the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,339 with the RSI at or below 40 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,424 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- The futures are currently in the consolidation zone with price finding selling resistance, if we move above and close above USD 2,392, we could see upper resistance levels come under pressure; however, this will put price in the EMA resistance band.
- Technically bearish, the futures are moving higher on the Asian open with price and momentum aligned to the buyside. The futures now need to close above the USD 2,392 resistance, otherwise we could see price coming under pressure.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,905	R1	2,972.5		RSI below 50
S2	2,824	R2			
S3	2,734	R3			

Synopsis - Intraday

Source Bloomberg

- Price is in the EMA resistance band (Black EMA's)
- RSI is below 50 (46)
- Stochastic is above 50
- Price above the daily pivot point USD 2,905
- Technically bearish with the futures in divergence with the RSI, price is testing the EMA resistance band with the RSI below 50 whilst intraday price and momentum aligned to the buyside.
- A close on the 4-hour candle below USD 2,905 with the RSI at or below 35.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 3,030 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 3,136.5 is the intraday technical bullish.
- The trend remains technically bearish with the futures moving higher on the divergence. However, we can see that the futures are now trading in the consolidation zone, warning we could find selling resistance around this area. Key resistance is at USD 3,136.5, only above this level is the technical bullish.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	19,318	R1	19,385	Stochastic oversold	RSI below 50
S2	18,230	R2			
S3	16,862	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (38)
- Stochastic is oversold
- Price is above the daily pivot point USD 19,318
- Technically bearish but not a technical sell last week the futures moved higher on Friday. Price remains below the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 19,318 with the RSI at or below 33 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 22,892 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish with price moving higher on the back of the positive divergence, supported by price and momentum, we continue to highlight USD 21,600 as an area of interest for market sellers due to the previous consolidation phase breakout. Upside moves that close this level will warn that that the USD 22,892 resistance could be tested and broken.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	1,906.5	R1	1,961	RSI above 50	Stochastic overbought
S2	1,847	R2			
S3	1,784.5	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (55)
- Stochastic is overbought
- Price is above the daily pivot point USD 1,906.5
- A strong upside move on Friday has put price above the USD 1,911 – USD 1,942 area, meaning we now target the USD 2,017.5 fractal resistance. Price is above the EMA resistance band supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 1,906.5 with the RSI at or below 42 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 1,847 will support a bull argument, below this level the futures will target the USD 1,784.5 low.
- The futures are moving higher on the back of the positive divergence, the technical now has a neutral bias, to be bullish we need to see the futures trade above our key fractal resistance at USD 2,017.5. If we do see the futures trading above the USD 1,970 level the probability of the key fractal being tested and broken will increase.

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at freightinvestorservices.com