



Base Morning Technical Report

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

China

Mid– Autumn festival

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	7,791	R1	7,904	RSI above 50	
S2	7,718	R2	8,020		
S3	7,660	R3	8,043		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (52)
- Stochastic is above 50
- Price is below the daily pivot point USD 7,904
- We noted on Friday that the intraday technical was now bullish; however, our wave analysis is not clear to the buyside, suggesting caution. The futures traded into the bearish resistance gap that formed on the 30/08 (USD 8,007 – USD 8,129) trading to a high of USD 8,020 before selling lower. Price remains above the EMA resistance band with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 7,904 with the RSI at or below 51 will mean price and momentum are aligned to the sell side. Likewise, a close above this level with the RSI at or above 55.5 will mean it is aligned to the buyside. Downside moves that hold at or above USD 7,718 will support a bull argument, below this level technical will have a neutral bias.
- The intraday technical is bullish based on a higher high, the Elliott wave cycle is less convincing as the move between 15/07/22 - 26/08/22 looks more like a double 3 pattern, rather than a 5-wave pattern. Price is failing at the bearish resistance window and remains below the USD 8,043 resistance from the daily technical, meaning the higher timeframe remains vulnerable. The intraday is bullish based on price but we remain unconvinced that the technical itself is bullish at this point, suggesting caution going forward.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,270	R1	2,299		RSI below 50
S2	2,256	R2	2,340	2,279	
S3	2,223	R3	2,374		

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (44)
- Stochastic is below 50
- Price is below the daily pivot point USD 2,299
- Technically bullish on Friday due to the intraday price making a higher high, the futures remained vulnerable as price is below the USD 2,419 resistance, warning there is the potentially still a larger bear cycle in play. The RSI moved back below 50, confirming that momentum was vulnerable to a downside move, resulting in the futures giving back early gains. Price is back below the EMA resistance band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,299 will mean price and momentum are aligned to the buyside. Likewise, a close below this level with the RSI at or below 51.5 will mean it is aligned to the sell side. The downside move on Friday below USD 2,270 means the futures although bullish have a neutral bias, only below USD 2,233 is the intraday technical bearish.
- The daily technical remains vulnerable whilst the intraday is bullish with a neutral bias. This technical is conflicting a little, we are still potentially looking to transition to the buyside, but the upside rejection would suggest market bulls need to remain cautious as the USD 2,233 fractal low remains vulnerable.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,143	R1	3,200		RSI below 50
S2	3,123	R2	3,295		
S3	3,092	R3	3,358		

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is below 50 (45)
- Stochastic is above 50
- Price is below the daily pivot point USD 3,200
- Bullish based on price on Friday the futures were testing the EMA resistance band and a resistance zone whilst momentum warned we could be vulnerable to a technical pullback if the RSI moved below 50 (it was at 50.5). Resistance held resulting in the futures moving lower. Price is below the EMA resistance band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 3,200 will mean price and momentum are aligned to the buyside. Likewise, a close below this level with the RSI at or below 39 will mean it is aligned to the sell side. Downside moves below USD 3,123 will have bearish implications going forward, suggesting the USD 3,092 support could be tested and broken.
- Technically bullish based on price, the futures have rejected the resistance zone, upside moves that fail at or below USD 3,443 will leave the futures vulnerable to further tests to the downside. The RSI is holding above its MA at this point, whilst the EMA resistance bands are flattening (though well-spaced), warning the bearish trend is becoming less stable. Downside moves below USD 3,092 will have bearish implications going forward, but also create a positive divergence with the RSI.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	22,778	R1	22,994	RSI above 50	Stochastic overbought
S2	22,362	R2			
S3	22,135	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA band (Black EMA's)
- RSI is above 50 (63)
- Stochastic is overbought
- Price is above the daily pivot point USD 22,778
- Technically bullish with the inverse head and shoulders pattern proving to be the winner, the futures are currently holding above the resistance zone highlighted on the chart. Price is above the EMA band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 22,778 with the RSI at or below 52 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 21,826 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish based on price, the 30-period and 60-period EMA's are now both at USD 21,720 meaning the band is neither bullish nor bearish at this point, it does however look to be transitioning to the buyside. Upside moves that trade above and close above the USD 24,090 and USD 24,345 fractal resistance levels will further support a longer-term bull argument. It is worth noting that we have a minor negative divergence in play with the RSI that will need to be monitored.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	1,932	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is above 50 (53)
- Stochastic is overbought
- Price is above the daily pivot point USD 1,919
- The futures continue to move higher with price now between the EMA resistance band whilst in the Fibonacci resistance zone. The RSI is above 50 with price and momentum aligned to the buyside.
- A close on the 4-hour candle below USD 1,919 with the RSI at or below 44.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 1,969 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Downside moves below USD 1,875 will have bearish implications going forward; however, a new low will create a positive divergence with the RSI, not a buy signal it does warn we have the potential to see a momentum slowdown.
- The technical is bearish but the futures are moving higher having formed a base between the 01/08 – 09/08 meaning we now have some good support forming around the USD 1,890 – USD 1,900 level. This will need to be monitored if tested going forward, if it holds resistance levels will become vulnerable, but if broken it has bearish implications going forward.