



# Base Morning Technical Report

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## China

China's economy showed signs of recovery in August as Beijing rolled out stimulus measures to counter a slow-down, although a property market slump and Covid outbreaks continue to weigh on the outlook.

Industrial production, retail sales and fixed-asset investment all grew faster than economists expected last month. The urban jobless rate slid to 5.3%, while the youth unemployment rate fell from a record high.

The boost to retail sales was partly due to a lower base of comparison from a year earlier and a surge in car sales after Beijing gave buyers subsidies on electric vehicles. Industrial output was also supported by a big spike in electricity production during August's heatwave, a rebound that's unlikely to be sustained. (Bloomberg)

## Al

Aluminum fell, along with most other base metals, as China's production expanded to a fresh record and looming Federal Reserve interest-rate hikes weighed on global economic sentiment.

Primary aluminum output from the top supplier gained 9.6% in August from a year earlier to 3.51 million tons, according to data from the National Bureau of Statistics on Friday. That beat the previous high in July. Output in the first eight months of the year gained 2.1% to 26.47 million tons. (Bloomberg)

# Copper Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	7,685	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 (42)
- Stochastic is oversold
- Price is below the daily pivot point USD 7,757
- Technically bearish based on the lower low the futures continued to move lower yesterday. Price is below the EMA resistance band supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 7,757 with the RSI at or above 49 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 7,987 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Likewise, a close above USD 7,867 will produce a new high close, further supporting a buyer's argument, warning the USD 7,987 resistance could be tested.
- Technically bearish, downside moves below USD 7,510 will warn that the USD 6,995 support could be vulnerable.

# Aluminium Morning Technical (4-hour)



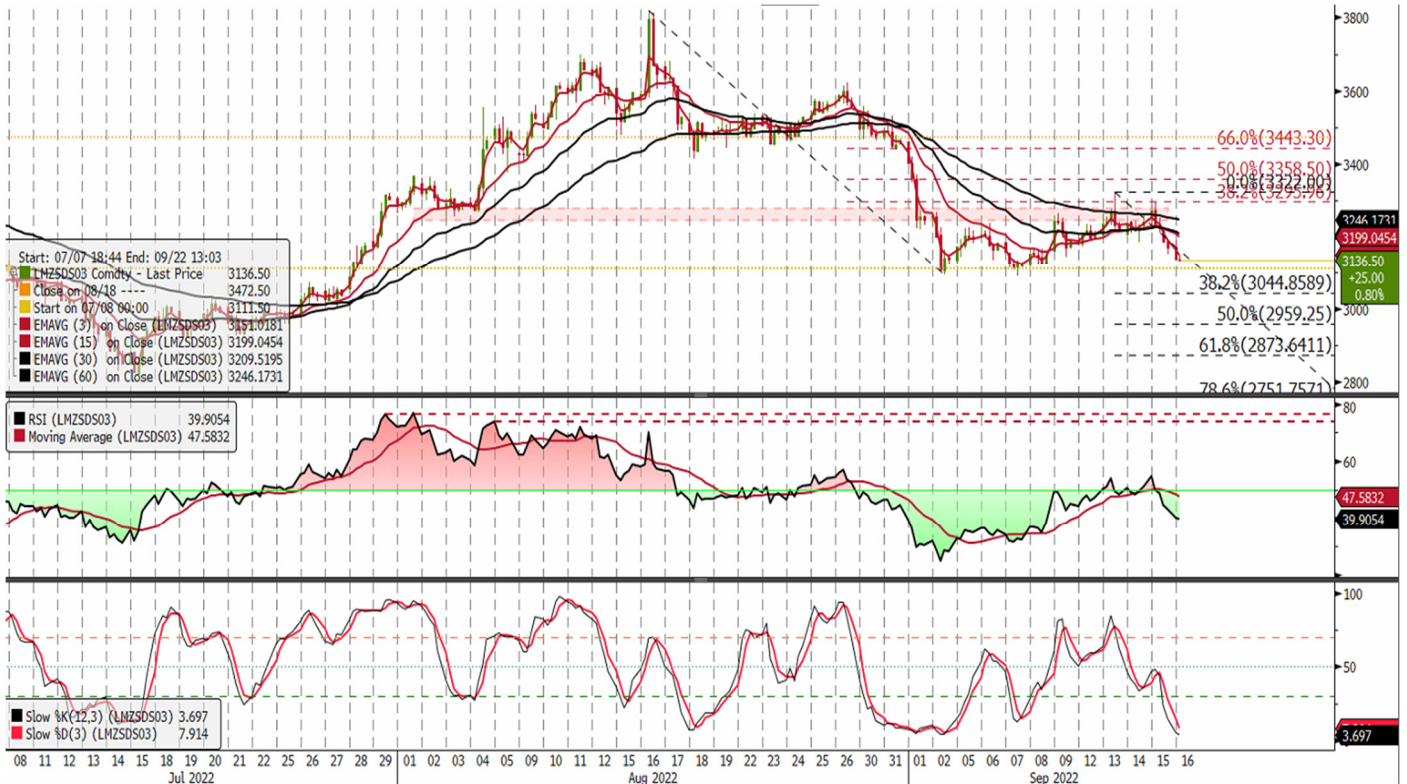
	Support	Resistance	Current Price	Bull	Bear
S1	2,275	R1	2,285.5		RSI below 50
S2	2,243	R2			
S3	2,233	R3			

Source Bloomberg

## Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (48)
- Stochastic is above 50
- Price is below the daily pivot point USD 2,302
- Previously we have been cautious of the bullish intraday technical based on the higher timeframe being bearish. The futures have broken fractal support meaning we are now bearish. Price is below the EMA resistance band supported by the RSI below 50, intraday price and momentum are conflicting.
- A Close on the 4-hour candle below USD 2,302 with the RSI at or below USD 46 will mean price and momentum are aligned to the sell side. Likewise, a close above this level with the RSI at or above 50.5 will mean it is aligned to the buyside. Upside moves that fail at or below USD 2,419 will leave the futures vulnerable to further tests to the downside, above this level the technical has a neutral bias.
- The technical is bearish with the futures now in a consolidation phase, a close below USD 2,280 on the 4-hour candle will indicate momentum based on price is starting to weaken, warning the USD 2,243 and USD 2,233 support levels will be vulnerable. A close above 2,315 will warn the USD 2,419 resistance could be tested.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,123	R1	3,137	Stochastic oversold	RSI below 50
S2	3,092	R2			
S3	3,037	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (39)
- Stochastic is oversold
- Price is below the daily pivot point USD 3,206
- Technically bullish but with a neutral bias with price failing below the resistance zone highlighted. We tested the upside resistance on the open yesterday, which again held, resulting in the futures moving lower. Price is below the EMA band with the RSI below 50, intraday price and momentum aligned to the sell side.
- A close on the 4-hour candle above USD 3,206 with the RSI at or above 50 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 3,443 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish with the futures moving lower, downside moves below USD 3,092 will create a positive divergence with the RSI, not a buy signal it will need to be monitored. Wave analysis would suggest we have the potential to trade as low as USD 2,873; however, a new low does mean the minimum requirement for phase/cycle completion has been achieved.

# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	22,852	R1 23,586	23,127	RSI above 50	
S2	22,059	R2 23,919			
S3	21,170	R3 24,551			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (53)
- Stochastic is below 50
- Price is below the daily pivot point USD 23,586
- The futures have entered a corrective phase with price now testing the top of the EMA support band with the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 23,586 with the RSI at or above 66.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 24,551 will mean the near-term argument is bearish. However, corrective moves lower that hold at or above USD 22,582 will support a bull argument, below this level the technical will have a neutral bias.
- Price action and the RSI would suggest we are in a countertrend Elliott wave-4, suggesting we have another move to the upside to come.

# Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	1,879	R1	1,906	Stochastic oversold	RSI below 50
S2	1,844	R2			
S3	1,798	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (42)
- Stochastic is oversold
- Price is below the daily pivot point USD 1,930
- Technically bearish with a neutral bias last time, a flat EMA band indicated the market lacked trend. The futures have traded lower with price below the EMA band, supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 1,930 with the RSI at or above 53 will mean price and momentum are aligned to the buyside.
- Bearish neutral previously, the futures have traded below the USD 1,911 support, indicating buyside momentum is weak, warning the USD 1,875 fractal support is now vulnerable.