



Base Morning Technical Report

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U.S.

The dollar's long rally looks to be over as US inflation slows and China's economic-stimulus measures boost risk assets, according to strategists.

Firms including Nomura Holdings Inc. and Morgan Stanley are predicting the next major move in the greenback will be lower, easing pressure on a host of assets and economies around the world that have suffered from its surge since the middle of last year (Bloomberg).

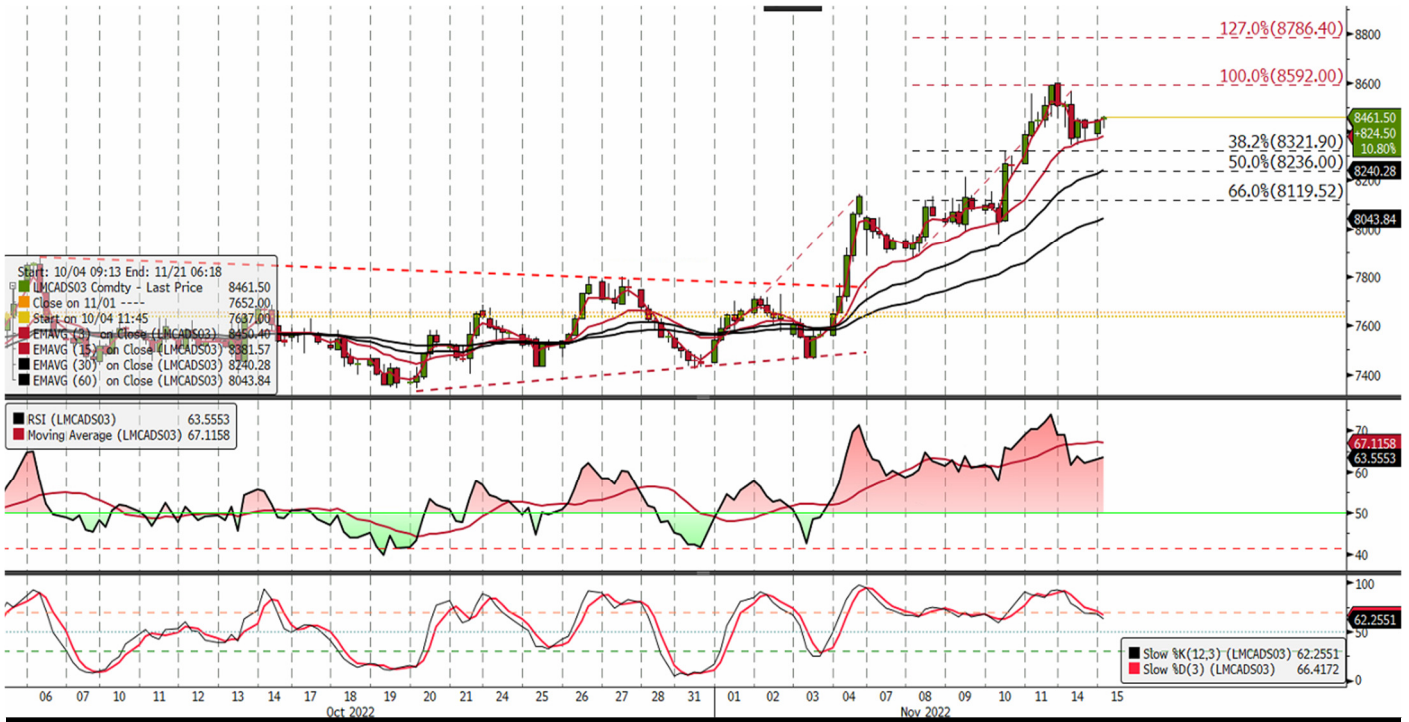
Cu, Zi, Pb

Top-20 brokers on the Shanghai Futures Exchange registered aggregate net-long positions of 17,813 copper contracts across front 6 months today, according to data on the exchange's website. Net-long zinc positions amounted to 1,404 contracts.

Brokers had 9,232 net-long positions in the most active December copper contract.

Lead net-long position today is the highest in at least six months (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,321	R1	8,459	RSI above 50	
S2	8,236	R2			
S3	8,119	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (63)
- Stochastic is above 50
- Price is above the daily pivot point USD 8,453
- Technically bullish last week with downside moves considered as countertrend, the futures did produce a downside move yesterday. Price is above the EMA support band with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 8,453 with the RSI at or above 69 will mean price and momentum are aligned to the buyside. Likewise, a close below this level will mean it is aligned to the sell side. Downside moves that hold at or above 8,119 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the futures look to be in a corrective wave 4 of this phase of the cycle, meaning downside moves are still considered as countertrend. Upside moves above USD 8,600 will confirm we are on a bullish impulse wave 5. However, a new high will create a negative divergence with the RSI which will need to be monitored going forward.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,441	R1	2,464	RSI above 50	Stochastic overbought
S2	2,403	R2			
S3	2,377	R3			

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (63)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,441
- The upside move in the futures on Friday did create a new high with both price and the RSI, meaning the near-term divergence failed. Price is above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 2,441 with the RSI at or below 58.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,342 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the futures look to be rolling over to the buy side, suggesting the USD 2,493 and USD 2,541 resistance levels could be vulnerable. However, a note of caution as a new high has the potential to create a negative divergence with the RSI. Not a sell signal it will need to be monitored.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,094	R1	3,215	RSI above 50	Stochastic overbought
S2	3,038	R2	3,251		
S3	2,991	R3	3,287		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (69)
- Stochastic is overbought
- Price is above the daily pivot point USD 3,094
- Technically bullish on the last report with the futures targeting the USD 3,193 fractal high, the futures have now traded to a high of USD 3,190. Price is above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 3,094 with the RSI at or below 64 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,927 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the futures and the RSI are making new highs, suggesting downside moves should be considered as countertrend at this point, making USD 2,927 the key resistance levels to follow. Note: the 1-hour RSI is in divergence with price, warning we have the potential to see a momentum slowdown. Not a sell signal it will need to be monitored.

Nickel Morning Technical (4-hour)



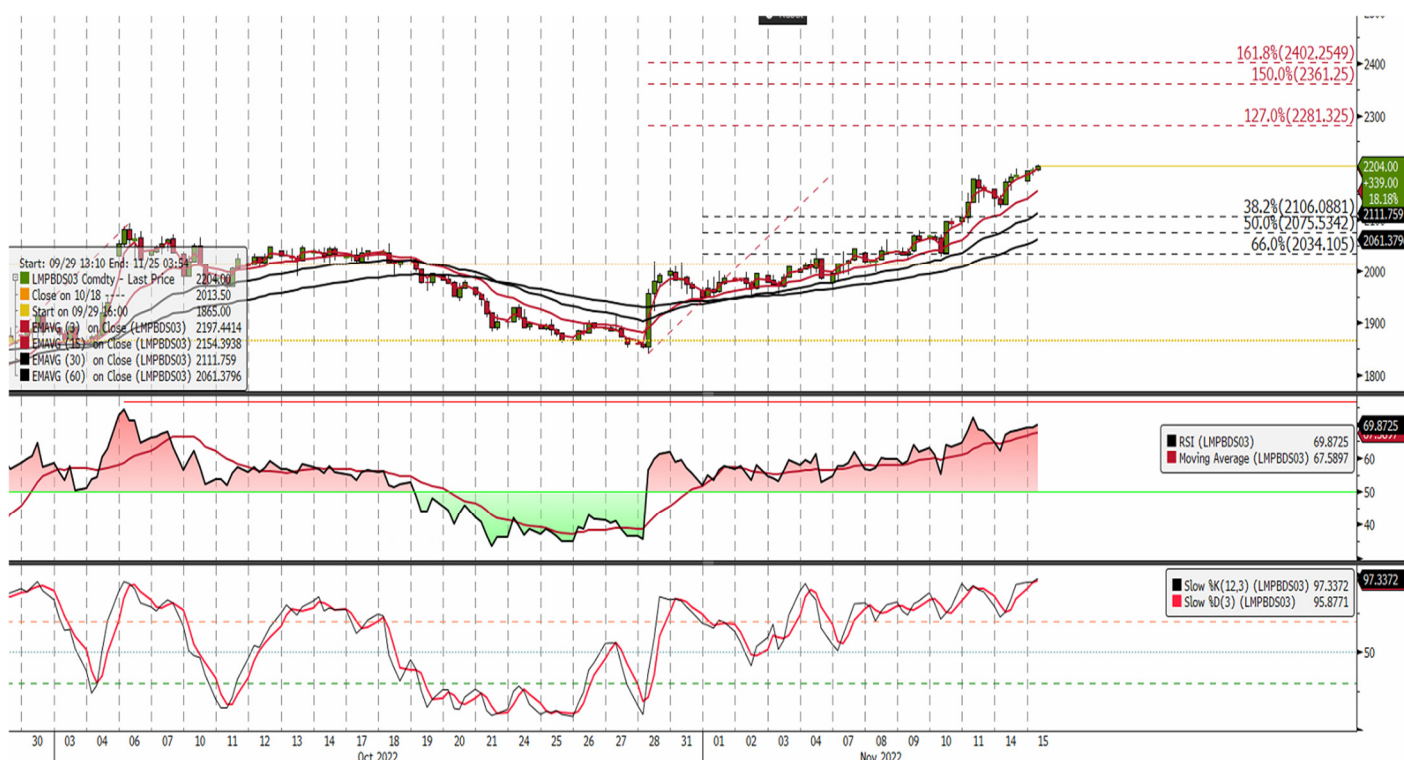
	Support	Resistance	Current Price	Bull	Bear
S1	28,721	R1	30,503	RSI above 50	Stochastic overbought
S2	27,949	R2	30,887		
S3	27,007	R3	31,271		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (73)
- Stochastic is overbought
- Price is above the daily pivot point USD 28,721
- Technically bullish last week with downside moves considered as countertrend, the futures have traded to a new high (USD 31,000) on the open. Price is above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 28,721 with the RSI at or below 69 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 25,729 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish with downside moves considered as countertrend, the new high today has created a small negative divergence with the RSI, not a sell signal, it will need to be monitored as it warns of the potential for a momentum slowdown.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,169	R1	2,204	RSI above 50	Stochastic overbought
S2	2,106	R2			
S3	2,075	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (69)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,169
- Technically bullish with the upside moves above USD 2,093.5 suggesting the move was bullish impulse and not countertrend, the futures continue to make new highs. Price is above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 2,169 with the RSI at or below 65.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,034 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the new high has put the RSI back in divergence, not a sell signal it will need to be monitored. Key support is at USD 2,034.