



Base Morning Technical Report

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China

China's financial regulators have asked banks to stabilize lending to property developers and construction firms, the latest effort by policymakers to turn around the real-estate crisis and bolster economic growth.

Authorities support the "reasonable" extension of existing real estate development loans and trust loans, according to a statement posted on the People's Bank of China's website after a Monday meeting with commercial banks. The gathering was jointly organized by the central bank and the banking regulator. (Bloomberg).

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Looming new Covid restrictions in China are adding to concerns about the outlook for copper demand in the world's biggest consumer just as a squeeze in global supplies appears to be easing.

Beijing reported three Covid deaths over the weekend as cases spiked, heightening concerns that the country's capital could see tougher curbs return. A man who died on Saturday was the nation's first documented virus-related death in almost six months. The deaths could test the tolerance of Chinese authorities, who earlier this month eased some restrictions in a move many took as a sign of a shift away from its strict zero-tolerance policy. (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	7,872	R1	8,092	Stochastic oversold	RSI below 50
S2	7,800	R2	8,281		
S3	7,730	R3	8,383		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (42)
- Stochastic is oversold
- Price is below the daily pivot point USD 8,092
- The downside move last week below USD 8,119 meant the pullback was considered as deep, the technical although bullish had a neutral bias. We noted that further downside moves would reduce the probability of a bullish Elliott wave 5 would decrease. The futures continue to move lower; price is below the EMA support band with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 8,092 with the RSI at or above 79 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 8,383 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 8,600 high. Likewise, downside moves below USD 7,872 will mean price is below the base of the bullish wave 3, confirming the Elliott wave cycle has failed.
- Technically bullish with a neutral bias with price and momentum aligned to the sell side. The bull argument continues to deteriorate due to the depth of the pullback; the RSI is now testing support levels established on the forming of the symmetrical triangle, if broken the last of the bull momentum will have fallen.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,361	R1	2,415	RSI above 50	
S2	2,342	R2	2,443		
S3	2,314	R3	2,478		

Source Bloomberg

Synopsis - Intraday

- Price is between the EMA support band (Black EMA's)
- RSI is above 50 (50)
- Stochastic is above 50
- Price is below the daily pivot point USD 2,415
- Technically bullish but in a corrective phase on Friday, the intraday upside move has failed to trade above the USD 2,443 resistance, meaning the USD 2,361 support remains vulnerable. Price is between the EMA support band with the RSI neutral at 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,415 with the RSI at or above 54 will mean price and momentum are aligned to the buy 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.
- The futures remain in a corrective phase having rejected the upside resistance; however, the technical is considered as bullish with key support to follow at USD 2,342. Intraday EMA bands are flat whilst the RSI is neutral, implying we lack a trending environment at this point.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,927	R1	3,025	Stochastic oversold	RSI below 50
S2	2,877	R2	3,051		
S3	2,793	R3	3,077		

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA support band (Black EMA's)
- RSI is below 50 (48)
- Stochastic is oversold
- Price is below the daily pivot point USD 3,025
- The futures have rejected the base of the Fibonacci resistance zone with price trading in the support zone highlighted. We are below the EMNA support band with the RSI below 50, intraday price and momentum aligned to the sell side.
- A close on the 4-hour candle above USD 3,025 with the RSI at or above 54 will mean price and momentum are aligned to the buyside. Upside moves that hold at or above USD 2,927 will support a bull argument, below this level the technical will have a neutral bias. Only below USD 2,793 will it be bearish.
- The rejection of the Fibonacci resistance has resulted in the futures trading lower on the open. The futures are currently in a complex corrective phase, but we remain in bull territory, key support to follow is at USD 2,927.

Nickel Morning Technical (4-hour)



Synopsis - Intraday

Source Bloomberg

- Price is between the EMA support band (Black EMA's)
- RSI is below 50 (47)
- Stochastic is oversold
- Price is above the daily pivot point USD 25,226
- The futures moved lower but rejected the downside on Friday, resulting in price moving back above and closing above the USD 24,723 support. The futures remain in the EMA support band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 25,226 with the RSI at or above 57.5 will mean price and momentum are aligned to the buy side. Likewise, a close below this level will mean it is aligned to the sell side. Upside moves that fail at or below USD 28,767 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 31,275 high.
- Technically bullish but with a neutral bias due to the depth of the pullback, the RSI is now below 50 with its moving average sloping lower, warning that resistance levels could hold in the near-term if tested. However, countering this is the downside rejection candle on the daily chart on Friday, signaling buying support in the market. Downside moves that trade below USD 23,900 (Friday's low) will warn the USD 23,015 fractal low could be tested and broken. Bullish/neutral based on price, this technical is showing conflicting signals leaving us neutral at this point.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,117	R1	2,142	RSI above 50	
S2	2,084	R2			
S3	2,040	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA support band (Black EMA's)
- RSI is above 50 (52)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,159
- The futures remain technically bullish but in a corrective phase. Price is between 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 2,159 with the RSI at or above 57 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 2,040 will support a bull argument, below this level the technical will have a neutral bias.
- The RSI continues to move lower with price in bullish territory whilst consolidating. Upside moves above the USD 2,223 high will create a negative divergence with the RSI, not a sell signal it does warn that we have the potential to see a momentum slowdown, suggesting caution on upside breakouts.