



Base Morning Technical Report

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China

China moved definitively away from its long-held Covid Zero approach Wednesday, easing a range of restrictions that it has persisted with long after the rest of the world moved on to living with the virus.

By jettisoning key tenets of the virus elimination strategy, including a requirement for infected people to quarantine in centralized camps, China's switch in Covid policy is suddenly moving faster than expected. The rapid acceleration reflects mounting pressure on President Xi Jinping to chart a path out of the crisis and quell public discontent. (Bloomberg).

Copper

China boosted energy purchases last month as winter approached, while copper imports continued to defy a slowing economy by reaching their highest level this year.

Commodities imports broadly are still lagging the pace set in 2021 as strict virus curbs and the crisis in the property market cast a pall over consumption. Coal and natural gas are among the worst performers over the past 11 months, with declines in imports of about 10%. Copper has been a standout amid the gloom, with shipments rising 8.5% on last year's level. (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,346	R1	8,421	RSI above 50	
S2	8,282	R2	8,495		
S3	8,194	R3	8,606		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (54)
- Stochastic is below 50
- Price is below the daily pivot point USD 8,421
- An upside move on the intraday yesterday failed, resulting in the futures moving lower and testing the trend support into the close. Price opened flat today, meaning the futures were below the rising trend support on the open, leaving support levels vulnerable. Price is above 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 8,421 with the RSI at or above 62.5 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 8,194 will support a bull argument, below this level the technical will have a neutral bias.
- The futures are now in a corrective phase having broken trend support with price and momentum aligned to the sell side, suggesting support levels are now vulnerable. USD 8,194 remains the key level to follow, if broken, pullback is considered as deep, meaning the probability of the futures trading to a new high will start to decrease.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,472	R1	2,502	RSI above 50	
S2	2,445	R2	2,542		
S3	2,419	R3	2,577		

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (52)
- Stochastic is above 50
- Price is below the daily pivot point USD 2,502
- Technically bullish but with a neutral bias yesterday, the futures remained in a corrective phase. The futures consolidated the rest of the session with price moving slightly lower on the Asian open; however, we remain above yesterday's low. Price is testing 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 2,502 with the RSI at or above 60.5 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 2,544 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 2,577 high.
- The technical remains unchanged from yesterday, bullish with a neutral bias, support levels continue to look vulnerable. The intraday technical becomes bearish below USD 2,445, but we think the USD 2,419 could be an area of interest, if it holds it will warn that there could be a larger bull Elliott wave cycle coming into play. If the futures trade below the USD 2,419 support, then market sellers will look to test the USD 2,338 fractal low.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,080	R1	3,139	RSI above 50	
S2	3,059	R2	3,154		
S3	3,025	R3	3,188		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (55)
- Stochastic is above 50
- Price is below the daily pivot point USD 3,139
- Technically bullish yesterday, the futures had achieved the 61.8% Fibonacci projection level, suggesting we had potentially seen cycle/phase completion, warning support levels could be vulnerable. The futures did have another test to the upside before entering a corrective phase this morning. Price is above 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 3,139 with the RSI at or above 66 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 3,080 will support a bull argument, below this level the technical will have a neutral bias. Only below USD 3,025 will the intraday technical be bearish.
- The technical is in a corrective phase with price holding above the USD 3,080; however, the downside move below the USD 3,102 is suggesting we have already potentially seen cycle completion. For this reason, the futures are not considered a technical buy, if our wave analysis is correct then the USD 3,080 support should be tested and broken.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	28,588	R1	29,271	RSI above 50	Stochastic overbought
S2	26,556	R2			
S3	25,865	R3			

Synopsis - Intraday

Source Bloomberg

- 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 28,588
- Technically bullish yesterday, we continued to have reservations regarding the strength of this upside move. Price did move slightly higher yesterday, but our reservations remain in place. The futures are above all key moving averages supported by the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 28,588 with the RSI at or above 64.5 will mean price and momentum are aligned to the buy side; likewise, a close below this level with the RSI at or below 60 will mean it is aligned to the sell side. Downside moves that hold at or above USD 26,556 will support a bull argument, below this level the technical will have a neutral bias.
- The new high yesterday has created a negative divergence with the RSI, not a sell signal it is warning we have the potential to see a momentum slowdown. Having previously noted that buy side momentum is weak, the divergence is a further warning that the futures are vulnerable to a technical pullback.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,190	R1	2,193.5	RSI above 50	
S2	2,180	R2			
S3	2,164	R3			

Synopsis - Intraday

Source Bloomberg

- Price is on the EMA support band (Black EMA's)
- RSI is above 50 (52)
- Stochastic is below 50
- Price is below the daily pivot point USD 2,213
- Technically bullish but in a corrective phase yesterday, intraday Elliott wave analysis suggested that downside moves should be considered as countertrend. The futures continue to move lower with price testing the EMA support band, the RSI is still above 50 with price and momentum now aligned to the sell side.
- A close on the 4-hour candle above USD 2,213 with the RSI at or above 64 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 2,221 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 2,240.5 high.
- Technically bullish but in a corrective phase, the pullback is now considered as deep, meaning we now have a neutral bias. In theory, lower timeframe wave analysis suggest we still have another test to the upside; however, the deep pullback would suggest caution, as the probability of the futures trading to a new high is decreasing.

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