



Base Morning Technical Report

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China

China's factory-gate prices contracted again in November while consumer inflation eased as Covid disruptions suppressed demand, giving the central bank some room to ease policy as the economy tries to recover.

The producer price index fell 1.3% in November from a year earlier after declining by the same magnitude in October, the National Bureau of Statistics said Friday. Economists surveyed by Bloomberg had expected a 1.5% drop in prices.

Consumer inflation eased to 1.6% from 2.1% in October, in line with economists' projections. Core inflation, which excludes volatile food and energy prices, was unchanged at 0.6%. (Bloomberg).

Copper

China's shock retreat from Covid Zero is stirring fresh talk that copper can finally deliver after years of bullish forecasts that fell flat.

President Xi Jinping's clear pivot to a pro-growth agenda hints at a quicker-than-expected demand recovery, at a moment when inventories are running dangerously low. Goldman Sachs Group Inc. just ramped up its price forecasts and said China's stockpiles were almost entirely depleted heading into a buying bout.

"Investors are betting heavily on China's reopening and a recovery in the property sector," said Wei Lai, analyst with Chinese brokerage TF Futures Co. "We are no longer going to see a copper surplus globally next year, nor a build-up in inventories." (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	8,523	R1	8,612	RSI above 50	Stochastic overbought	
S2	8,501	R2				8,768
S3	8,467	R3				8,890

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (66)
- Stochastic is overbought
- Price is below the daily pivot point USD 8,523
- The futures were in a corrective phase on the last report having broken trend line support, warning support levels were now vulnerable, USD 8,194 remained the key level to the downside to follow. The Downside moves held above the EMA and Fibonacci support area, resulting in price moving higher over the last two sessions. The RSI is above 50 with price and momentum aligned to the buy side.
- A close on the 4-hour candle below UAS 8,523 with the RSI at or below 58 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 8,422 will support a bull argument, below this level the technical will have a neutral bias. Only below USD 8,322 is the intraday technical bearish.
- Having held above our key support levels the futures are now tracking the trend line higher. On the Elliott wave cycle it is a little unclear whether we have seen a wave extension or started a new lower timeframe bull cycle. The technical is bullish with near-term resistance at USD 8,673, if the futures trade above USD 8,890 then the probability that the move is part of a larger cycle is high, suggesting downside moves should be considered as countertrend.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,472	R1	2,537	RSI above 50	
S2	2,445	R2	2,577		
S3	2,419	R3	2,549		

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (54)
- Stochastic is above 50
- Price is below the daily pivot point USD 2,505
- Bullish with a neutral bias on the last report, we had USD 2,419 as an area of interest, if it held then it would there could be a larger bull cycle coming into play. The Futures are 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 2,505 with the RSI at or above 56 will mean price and momentum are aligned to the buy side; likewise, a close below this level with the RSI at or below 51.5 will mean it is aligned to the sell side. Upside moves that fail at or below USD 2,537 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 2,577 high.
- Bullish with a neutral bias, the futures are consolidating at this point. Key levels to follow are USD 2,419 and USD 2,537. The futures need to show us directional bias from here.

Zinc Morning Technical (4-hour)



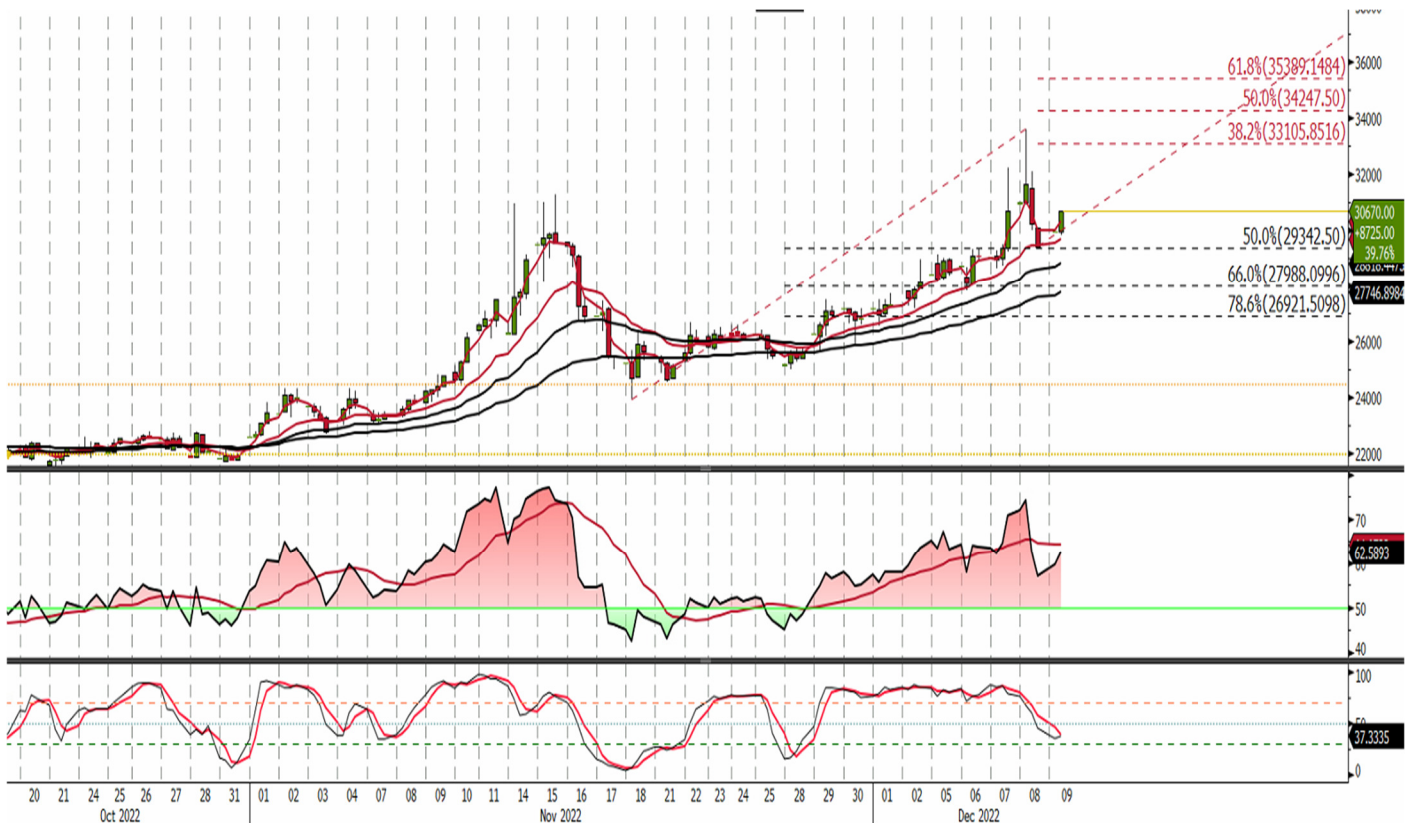
	Support	Resistance	Current Price	Bull	Bear
S1	3,227	R1	3,243	RSI above 50	Stochastic overbought
S2	3,196	R2			
S3	3,175	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (66)
- Stochastic is overbought
- Price is below the daily pivot point USD 3,227
- We had the futures looking like we had seen cycle completion on the last report, which looks to have been correct in the sense that the lower timeframe intraday cycle did produce a 5-wave pattern and break a fractal support. However, the upside move to new highs on the 07/12 has signaled that there is a new larger cycle now in play, meaning the technical is once again bullish. Price as above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 3,227 with the RSI at or below 61.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 3,147 will support a bull argument, below this level the technical will have a neutral bias. Only below USD 3,088.50 is the technical bearish.
- If the Elliott wave cycle is correct and the futures have entered a larger bull cycle, then we should in theory test and trade above the USD 3,400 resistance. We should highlight that the Elliott wave cycle is a psychological footprint of the market, it can and does fail at times. However, at this point it is bullish and suggesting there is further upside within the cycle.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	29,342	R1	30,903	RSI above 50	
S2	27,988	R2	33,105		
S3	26,921	R3	34,247		
			30,670		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (62)
- Stochastic is below 50
- Price is above the daily pivot point USD 30,903
- On the last report we had a negative divergence in play whilst the upside price action looked weak, suggesting the futures were vulnerable to a technical pullback. The divergence failed, the upside moves was strong with price trading to a new high; technically we got this wrong as it had looked like the futures would move lower. Price is above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 30,903 with the RSI at or above 66.5 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 29,342 will support a bull argument, below this level the technical will have a neutral bias.
- The technical is bullish with price holding above key support, upside moves above USD 33,575 will target the USD 35,389 level.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,190	R1	2,221	RSI above 50	
S2	2,180	R2	2,240.5		
S3	2,164	R3	2,264		

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 on the daily pivot point USD 2,216
- Technically bullish with a neutral bias on the last report, the lower timeframe wave cycle was warning that we have the potential for another test to the upside. However, we did have a note of caution on the back of the deep pullback. Price is above the EMA support band with the RSI above 50, intraday price and momentum are conflicting, as price is on the daily pivot level whilst the RSI is on its MA.
- A close on the 4-hour candle above USD 2,216 with the RSI at or above 58 will mean price and momentum are aligned to the buy side. Likewise, a close below this level with the RSI at or below 53.5 will mean it is aligned to the sell side.
- The technical is bullish, the futures have traded above the USD 2,221 resistance with the lower timeframe wave cycle still suggesting we could have another test to the upside.