



Base Morning Technical Report

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China

Chinese banks maintained their benchmark lending rates for a fourth month, with economists predicting a possible reduction to the mortgage reference rate in coming months to help the struggling property sector.

The one-year loan prime rate was left at 3.65%, the People's Bank of China said Tuesday, in line with most forecasts in a Bloomberg poll of economists. The five-year rate, a reference for mortgages, was also kept unchanged at 4.3%. (Bloomberg).

Al

According to data released by the London Metal Exchange (LME), LME aluminium inventories increased sharply last week and returned to above 500,000 m, but then fell again. The latest inventory level was 477,650 mt as of December 16, which is relatively low in the past two months.

SHFE aluminium inventories rebounded last week after falling for eight consecutive weeks and increased by 1.24% on a weekly basis to 92,373 mt as of December 16, but still a six-year low. (SMM)

Copper Morning Technical (4-hour)



	Support		Resistance		Current Price		Bull		Bear
S1	8,143	R1	8,284		8,225		Stochastic oversold		RSI below 50
S2	8,114	R2	8,307						
S3	8,016	R3	8,339						

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (41)
- Stochastic is oversold
- Price is below the daily pivot point USD 8,335
- Technically bearish yesterday with price rejecting the Fibonacci resistance zone, the futures moved sideways for the bulk of the session before rolling over to the downside late on. The futures are coming under pressure on the Asian open with price trading to a low of USD 8,210. The futures are below all key moving averages 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 8,335 with the RSI at or above 46.5 will mean price and momentum are aligned to the buy side. However, key resistance is just above the daily pivot level; upside moves that fail at or below USD 8,339 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 8,312 is the intraday technical bullish.
- Technically bearish with the futures trading to a new low on the open, depending on where this current candle closes, we could have a minor positive divergence in play which will need to be monitored.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,374	R1	2,379	Stochastic oversold	RSI below 50
S2	2,362	R2			
S3	2,347	R3			

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA Resistance band (Black EMA's)
- RSI is below 50 (41)
- Stochastic is oversold
- Price is above the daily pivot point USD 2,374
- The futures traded below the USD 2,377 support yesterday resulting in price trading just below the USD 2,362 level before finding some light buying pressure. We remain below all key moving averages supported by the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,374 with the RSI at or above 43 will mean price and momentum are aligned to the buy side; likewise, a close below this level with the RSI at or below 38.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,399 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 2,421 is the intraday technical bullish based on price; however, a note of caution as a new high would still leave the futures below the EMA resistance band.
- Technically bearish, we are finding support at the 50% Fibonacci projection of the symmetrical triangle, making USD 2,399 the key resistance to follow. Downside moves that close below USD 2,362.5 will target the USD 2,347 and USD 2,325 support levels. Likewise, a close above USD 2,399 would suggest the USD 2,421 resistance could be tested and broken.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,990.5	R1	3,022	Stochastic oversold	RSI below 50
S2	2,876	R2	3,116		
S3	2,793	R3	3,159		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (38)
- Stochastic is oversold
- Price is below the daily pivot point USD 3,022
- Technically bearish yesterday, we had a note of caution as price was nearing the old support zone, a previously heavy traded area. The futures traded to a low of USD 2,979.50 before finding light buying support in the Asian session. Price is below the EMA resistance 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 3,022 with the RSI at or above 41 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 3,216 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, we look to be holding the support zone suggesting caution at this point, as we have the potential to see some short covering around these levels.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	26,835	R1	27,571	Stochastic oversold	RSI below 50
S2	26,600	R2	29,573		
S3	25,000	R3	31,373		

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA support band (Black EMA's)
- RSI is below 50 (41)
- Stochastic is oversold
- Price is below the daily pivot point USD 27,571
- The futures have spent the last few days in consolidation with price holding above the USD 27,988 support, we have noted during this period that although holding the support, it was vulnerable. The futures have broken to the downside, the technical remains bullish but now has a neutral bias due to the depth of the pull-back. Price remains 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 27,571 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 31,373 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 33,575 fractal high.
- Technically bullish but now with a neutral bias, a close on the 4-hour candle below USD 26,835 will warn the USD 25,000 fractal low could be tested and broken.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,143	R1	2,159	Stochastic oversold	RSI below 50
S2	2,122	R2			
S3	2,097	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (47)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,164
- Technically bearish the futures continue to consolidate around the USD 2,143 support, yesterdays upside move failed to test the key resistance whilst the downside move failed to make a new low. Price is below the EMA resistance band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,164 will mean price and momentum are aligned to the buyside. Likewise, a close below this level with the RSI at or below 43 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,202 will leave the futures vulnerable to a test to the downside.
- Technically bearish, the futures are in a consolidation phase, downside moves below USD 2,140 have the potential to create a positive divergence with the RSI, not a buy signal it does warn that we have the potential to see a momentum slowdown. Note: the last intraday divergence did fail; however, we have seen no further downside moves in the technical, suggesting caution below this level. (UNCHANGED)

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