



Base Morning Technical Report

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China

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China's economy ended the year in a major slump as business and consumer spending plunged in December, with more disruption likely in the first few months of the year as Covid infections surge across the country.

Official data over the weekend showed the decline in manufacturing worsened last month, while activity in the services sector plunged the most since February 2020.

Separately, a private survey of businesses by China Beige Book International on Monday suggests the economy contracted in the fourth quarter from a year earlier. (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,419	R1	8,539	RSI above 50	
S2	8,388	R2	8,629		
S3	8,346	R3	8,691		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (55)
- Stochastic is below 50
- Price is above the daily pivot point USD 8,398
- Sideways action over the seasonal period, the futures came under early pressure but are back off their lows. Price is 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 8,398 with the RSI at or below 50 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 8,346 will support a bull argument, below this level the technical will have a neutral bias. Only below USD 8,257 is the intraday technical bearish based on price; however, key support on the higher timeframe is unchanged at USD 8,114.
- Technically bullish with near-term resistance at USD 8,520 and USD 8,629. We do have the potential to see a negative divergence with the RSI above USD 8,520, suggesting caution on upside breakouts.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,362	R1	2,379	Stochastic oversold	RSI below 50
S2	2,347	R2	2,427		
S3	2,325	R3	2,433		

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA Resistance band (Black EMA's)
- RSI is below 50 (44)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,379
- Bearish neutral on the last report the futures continue to move sideways with price below the EMA resistance band. The RSI is below 50 with intraday price and momentum aligned to the sell side.
- A close on the 4-hour candle above USD 2,379 with the RSI at or above 51 will mean price and momentum are aligned to the buyside. However, with the futures moving sideways whilst the EMA's are flat, we suggest caution on using the pivot point and RSI for directional bias at this point. Upside moves that close on the 4-hour candle above USD 2,420 will warn that buyside momentum is improving, leaving the USD 2,485 resistance vulnerable. Likewise, a close below USD 2,362.5 will warn that the USD 2,347 and USD 2,325 support levels are vulnerable.
- Technically bearish with a neutral bias, the futures are currently not in a trending environment, suggesting caution.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,984	R1	3,000	Stochastic oversold	RSI below 50
S2	2,965	R2			
S3	2,920.5	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (46)
- Stochastic is oversold
- Price is above the daily pivot point USD 2,984
- Technically bearish on the last report, downside moves below USD 2,979.5 would create a positive divergence with the RSI, implying the futures were not considered a technical sell on downside breakouts. The futures did move lower, but the support zone held, resulting in the futures moving to the upside. Price is still 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 2,984 with the RSI at or above 48 will mean price and momentum are aligned to the buy side. Likewise, a close below this level with the RSI at or below 43.5 will mean it is aligned to the sell side. Upside moves that trade above USD 3,095 will mean the intraday technical is bullish based on a higher high; however, key resistance is at USD 3,196, upside moves that fail at or below this level will leave the longer-term technical vulnerable to further tests to the downside, above this level the futures will have a neutral bias.
- Technically we remain bearish; however, the futures continue to hold the support zone that dates to late September 22 with price looking like it could create further positive divergences below USD 2,920.5, meaning we do not consider the futures a technical sell at this point.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	29,800	R1	30,306	RSI above 50	
S2	29,285	R2	31,373		
S3	28,585	R3	32,189		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (53)
- Stochastic is above 50
- Price is below the daily pivot point USD 30,306
- Bullish with a neutral bias last time, the close above USD 28,925 on the 4-hour candle warned that resistance levels were vulnerable. However, with price rejecting the Fibonacci resistance zone it left us with a conflicting technical. The futures did move higher with price breaching the USD 31,373 resistance, meaning we now target the USD 32,189 and USD 33,575 resistance levels. 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 30,306 with the RSI at or above 59 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 28,585 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish due to the resistance breach the futures are moving sideways to lower, making USD 28,585 the key support to follow.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	2,277	R1	2,276	RSI above 50	Stochastic overbought	
S2	2,235	R2				2,341
S3	2,218	R3				2,359

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (54)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,277
- On the last report the futures had moved higher due to the cancelled warrant situation in Taiwan, creating a negative divergence with the RSI. However, we did not have a technical view at that point due to the move being non-tech related. We have since seen a series of pullbacks and upside moves with price remaining in divergence. 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 below USD 2,277 with the RSI at or below 53.5 will mean price and momentum are aligned to the sell side; likewise, a close above this level with the RSI at or above 58 will mean it is aligned to the buyside.
- Technically bullish, we have seen two technical pullbacks due to negative divergences on a new high. Upside moves above USD 2,302.50 will create a third divergence, for this reason we do not consider the futures a technical buy at these levels.