



Base Morning Technical Report

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

U.S

The U.S. economy grew at a 2.9% annual rate last quarter but entered this year with less momentum as rising interest rates and high inflation weighed on demand.

U.S. growth in the fourth quarter was down slightly from a 3.2% annual rate in the third quarter, the Commerce Department said Thursday. Consumer spending helped drive the fourth-quarter gain, while the housing market weakened and businesses cut back their spending on equipment.

The October-to-December period capped a year of economic slowdown with growth of 1% in the fourth quarter of 2022 compared with a year earlier, down sharply from 5.7% year-over-year growth in 2021's fourth quarter. The slowdown in part reflected a return to a more normal pace of growth after output surged amid business reopening's, fiscal stimulus and a waning pandemic in 2021. (Bloomberg).

Cu

Copper was on track for the longest run of weekly gains in more than two years as major producing countries Peru and Chile grapple with challenges that threaten to impact global supply.

The industrial metal edged higher for a second session, heading for a sixth weekly advance. A brightening outlook for China's economic growth after the nation ended its Covid Zero policy has added to demand optimism for copper, which is trading near the highest level since June. (Bloomberg)

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	9,306	R1	9,336.5	RSI above 50		
S2	9,204	R2				9,560
S3	9,138	R3				9,686

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (54)
- Stochastic above 50
- Price is below the daily pivot point USD 9,345
- Unchanged on the technical from yesterday, the futures continue to move sideways with price above the EMA support band, the RSI is above 50 with price and momentum conflicting.
- A close on the 4 – hour candle above USD 9,345 with the RSI at or above 57 will mean price and momentum are aligned to the buyside. Likewise, a below the level with the RSI at or below 52.5 will mean it is aligned to the sell side.
- Downside moves that close below USD 9,272 on the 4-hour candle will warn that sell side momentum is increasing (tried and failed again), leaving the USD 9,204 and USD 9,026 support levels vulnerable. Likewise, a close above USD 9,430.50 will target the USD 9,560 – USD 9,686 resistance zone in the near-term. (unchanged).
- The futures remain technically bullish with a neutral bias, price is continuing to consolidate. Above USD 9,550.5 the RSI will be in divergence with the RSI, not a sell signal it does warn that we have the potential to see a momentum slowdown on upside breakouts, suggesting caution going forward. It is worth noting that the consolidation is forming around the weekly 61.8% retracement level (Hi USD 10,845 – Low USD 6,955, 61.8% retracement 9,359). We also note that if you look at the market profile chart USD 9,380 – USD 9,480 is the most heavily traded area in the last 24 months, making it a natural area of resistance. This would also suggest that a close above that holds above this zone will have bullish implications going forward. This is a very conflicting technical, there are reasons to be cautious, but if we do break higher, we could run. (Unchanged)

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,634	R1	2,679.5	RSI above 50	
S2	2,555	R2	2,718		
S3	2,516	R3	2,769		

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (54)
- Stochastic is below 50
- Price is above the daily pivot point USD 2,634
- Technically bullish yesterday with the USD 2,679.5 fractal high remaining vulnerable. The futures opened with light buying support in the Asian session, but the move failed to hold, resulting in price remaining in a consolidation phase. We remain above the EMA support band with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 2,634 with the RSI at or below 55 will mean price and momentum are aligned to the sell side. Likewise, a close above this level with the RSI at or above 59.5 will mean it is aligned to the buyside. Downside moves that hold at or above USD 2,397 will support a longer-term bull argument, below these levels the USD 2,251 fractal low becomes vulnerable.
- Technically bullish buy in consolidation, the RSI is above 50 with the stochastic nearing oversold territory, providing the RSI hold above 50 then momentum will be vulnerable to a test to the upside. Upside moves above USD 2,679.5 will create a negative divergence with the RSI, not a sell signal it will need to be monitored; however, intraday Elliott wave analysis would suggest that there is still the potential for another move higher. Downside moves below USD 2,555 will warn that the USD 2,397 support could be vulnerable, suggesting we are in a more complex corrective phase.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,490	R1	3,497	RSI above 50	Stochastic overbought
S2	3,417	R2			
S3	3,388	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 3,490
- We remained a cautious bull yesterday due to the futures being in divergence with the RSI. Price has continued to move higher with the futures above the EMA support and the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 3,490 with the RSI at or below 60 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 3,348 will support a bull argument, below this level the near-term technical will have a neutral bias.
- We remain a cautious bull as price is now in divergence. The Elliot wave cycle remains unchanged and continues to suggest that downside moves should be considered as countertrend. Key long-term support is at USD 3,139; the wave cycle is bullish above this level and neutral below.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	29,093	R1	29,427	RSI above 50	Stochastics overbought
S2	27,930	R2			
S3	27,421	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (57)
- Stochastic is overbought
- Price is above the daily pivot point USD 29,093
- Technically bullish yesterday, downside moves below USD 27,800 would indicate that the futures are in a more complex corrective phase, whilst a move below USD 27,421 will leave the USD 27,020 and USD 26,500 support levels vulnerable. The futures moved higher with price remaining above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside. (Unchanged)
- A close on the 4-hour candle below USD 29,093 with the RSI at or below 51.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 27,421 will support a bull argument, below this level the technical will have a neutral bias.
- The futures continue to move higher with price looking to test the USD 29,520 fractal resistance, we noted yesterday that a move above this level looked like it could create a negative divergence. The RSI has moved higher with price, it is less clear on the divergence front, if we do get one it will be marginal, but could potentially fail. Downside moves below USD 28,300 will warn that the USD 27,800 fractal support could be broken, taking us into a move complex corrective phase.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,194	R1	2,205.5	RSI above 50	Stochastic overbought
S2	2,142	R2			
S3	2,112	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (55)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,194
- Technically bearish with a neutral bias yesterday, the strength of the upside move was bringing into question the intraday Elliott wave cycle, leaving me with a neutral bias. The futures held above the EMA resistance band resulting in a move higher; however, we remain below the USD 2,237 fractal resistance from the 25/01. The RSI is above 50 with price and momentum aligned to the buyside.
- A close on the 4-hour candle below USD 2,194 with the RSI at or 52.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,112 will support a near-term bull argument, below this level we target the USD 2,048.5 fractal support.
- Technically unchanged, the wave cycle is bearish with a neutral bias, but I maintain a more neutral bias as the strength of the upside move would suggest the probability of the futures trading below USD 2,048.5 in the near-term is decreasing.

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