



Base Morning Technical Report

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China

The total of new home sales in China's four first-tier cities reached 49,306 square meters of floor space last week, according to Bloomberg calculations based on data from China Real Estate Information Corp. on Jan. 30. Shenzhen had the smallest decrease, while Beijing had the biggest decrease.

Shenzhen new home sales volume fell 30,822 square meters to 3,297

Shanghai declined 33,731 square meters to 11,726

Guangzhou decreased 37,777 square meters to 22,466

Beijing retreated 61,575 square meters to 11,817 (Bloomberg).

Cu

Copper extended declines as investors assessed what's next for Chinese demand with the country's businesses re-summing work after a week-long public holiday.

China's economy showed a few signs of improvement in January, according to an index of early indicators tracked by Bloomberg, while home sales during the Lunar New Year period were down 14% from last year's holiday period. That put pressure on copper, which already drifted lower while China was off. (Bloomberg)

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,204	R1	9,280		RSI below 50
S2	9,138	R2	9,560		
S3	9,206	R3	9,686		

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA support band (Black EMA's)
- RSI is below 50 (48)
- Stochastic below 50
- Price is below the daily pivot point USD 9,280
- 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. The futures came under pressure in the US session with price closing the day in the EMA support band, the RSI is now below 50 with intraday price and momentum aligned to the sell side.
- A close on the 4-hour candle above USD 9,280 with the RSI at or above 55 will mean price and momentum are aligned to the buyside. The futures closed below the USD 9,272 level, resulting in the futures trading below the USD 9,204 support level.
- Technically we remain bullish but with a neutral bias with price trading back above the USD 9,204 – USD 9,026 support zone. Price did find light buying support into Friday's close but is lower on the Asian open, a close on the 4-hour candle below USD 9,191 will weaken the intraday technical further, suggesting the USD 9,026 fractal could be tested and broken. Likewise, a close above USD 9,365 would imply buyside momentum is strengthening; however, above USD 9,550.5 we still have the potential to create a negative divergence with the RSI, suggesting caution on upside breakouts.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,555	R1	2,628	Stochastic oversold	RSI below 50
S2	2,516	R2	2,679.5		
S3	2,465	R3	2,718		

Source Bloomberg

Synopsis - Intraday

- Price is between the EMA support band (Black EMA's)
- RSI is below 50 (49)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,628
- Technically bullish but in consolidation last week with the RSI holding above 50 whilst the stochastic neared oversold territory. Momentum warned that we had the potential to see a move higher, providing the RSI held above 50. We have seen a small move lower with price now trading in the EMA support band with the RSI just below 50 (48.95), Intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,628 with the RSI at or above 56.5 will mean price and momentum are aligned to the buy side. 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 with price still in a consolidation/corrective phase. Intraday Elliott wave analysis continues to suggest that downside moves should be considered as countertrend; The RSI is still near neutral at this point, if we see it move above 50 then momentum will be vulnerable to a move higher. However, if we see a close on the 4-hour candle below USD 2,572 with the RSI moving much lower, then support levels could come under pressure.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,296	R1	3,406	Stochastic oversold	RSI below 50
S2	3,229	R2			
S3	3,317	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA support band (Black EMA's)
- RSI is below 50 (49)
- Stochastic is overbought
- Price is below the daily pivot point USD 3,452
- A cautious bull due to the negative divergence in play last week, the futures have now entered a corrective phase with price trading between the EMA support band with the RSI near neutral at 49. Intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 3,452 with the RSI at or above 61.5 will mean price and momentum are aligned to the buy 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.
- The futures have now entered a countertrend wave 4 (based on our Elliott wave analysis), making USD 3,139 the key support to follow within the wave cycle, as we remain bullish above this level and neutral below. If we close below the EMA support band then the USD 3,296 – USD 3,229 support zone could come under pressure.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	28,785	R1	28,902	RSI above 50	
S2	28,469	R2			
S3	28,221	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (52)
- Stochastic is above 50
- Price is above the daily pivot point USD 29,200
- The futures did trade above the USD 29,520 fractal resistance on Friday, resulting in price being in divergence with the RSI resulting in the futures moving lower in the US session (we knew the divergence would be close/marginal; however, it did form). 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 29,200 with the RSI at or above 57 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 28,469 will support a bull argument, below this level the technical will have a neutral bias. Only below USD 27,800 is the technical bearish.
- Technically bullish but in a corrective phase, the downside move on Friday is now warning that the Fibonacci support zone is vulnerable, making USD 28,469 the key support to follow going forward.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,142	R1	2,178.5	RSI above 50	
S2	2,112	R2			
S3	2,088	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (51)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,185
- Technically bearish but with a neutral bias last time based on the wave cycle, we have a more neutral bias due to the strength of the upside move. The futures moved lower on Friday but price remains above the EMA resistance 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 2,185 with the RSI at or above 56 will mean price and momentum are aligned to the buyside. 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.
- We remain technically bearish but with a neutral bias with price mean reverting to the resistance band. This technical remains neutral with USD 2,112 the key support to follow going forward, if broken then the probability of the futures trading to new lows will increase.