



Base Morning Technical Report

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U.S.

FOMC press conference today

China

Shaky property markets across much of the world pose another risk to the global economy as higher interest rates erode household finances and threaten to exacerbate falling prices.

Reports this week have shown the US housing slump stretched into a fifth month, China's home sales slide continued and price declines persisted in both Australia and New Zealand.

Sliding home values threaten to undermine consumer confidence and weigh on household spending, which had been a rare bright spot for the global economy last year. Investment too could take a hit as developers scale back projects in response to falling prices, waning demand and higher borrowing costs. (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,209	R1	9,228		RSI below 50
S2	9,060	R2			
S3	9,026	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA support band (Black EMA's)
- RSI is below 50 (49)
- Stochastic is above 50
- Price is above the daily pivot point USD 9,209
- Technically bullish with a neutral bias yesterday, the downside move had broken both the USD 9,272 and USD 9,191 support levels, suggesting the USD 9,206 fractal low could be tested and broken. The futures initially moved lower; however, worse than expected consumer confidence numbers out of the US resulting in the USD weakening, giving copper bid support into the close. A quite open in Asia has left price trading between the EMA support band with the RSI near neutral at 49, intraday price and momentum are now aligned to the buy side.
- A close on the 4-hour candle below USD 9,209 with the RSI at or below 45 will mean price and momentum are aligned to the sell side. Downside moves below USD 9,060 would suggest the USD 9,026 fractal low could be tested and broken.
- The futures produced a bullish rejection candle on the daily chart yesterday whilst a close above USD 9,250.5 on the 4-hour candle are implying that momentum based on price are starting to strengthen. The break in fractal resistance means that the intraday technical is again bullish, warning that the USD 9,395 resistance is now vulnerable.

Aluminium Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	2,617	R1	2,664	2,632.5	RSI above 50	Stochastic overbought
S2	2,555	R2	2,679.5			
S3	2,516	R3	2,718			

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (53)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,617
- The futures held the USD 2,555 fractal support yesterday with price moving higher on the back of a weakening USD. The upside move means we are now seeing bullish closes on the 4-hour candle with price trading above the USD 2,626 resistance, suggesting the USD 2,664 fractal high is now vulnerable. Price is above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 2,617 with the RSI at or below 46.5 will mean price and momentum are aligned to the sell 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.
- The longer-term technical remains bullish based on the Elliott wave cycle whilst the intraday technical is bearish but with a neutral bias. The upside move above USD 2,626 is warning that the USD 2,664 fractal resistance could be tested and broken, if it is then the intraday and daily techs are both bullish, suggesting the futures will go on to trade to new highs. Downside moves below USD 2,555 would indicate that the futures are in a complex corrective phase.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,403	R1	3,421	RSI above 50	
S2	3,296	R2			
S3	3,229	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA support band (Black EMA's)
- RSI is above 50 (51)
- Stochastic is below 50
- Price is below the daily pivot point USD 3,403
- Technically bullish but in a corrective phase yesterday with Elliott wave analysis suggesting downside moves should be considered as countertrend. The futures did move lower before trading higher into the close and the Asian open. Price is now between the EMA support band with the RSI near neutral at 51, intraday price and momentum are conflicting. The moving average on the RSI has also moved lower, meaning any divergence on an upside move will not be against the MA. We note this as a negative divergence with the RSI below its MA tends to be a stronger signal.
- A close on the 4-hour candle above USD 3,403 with the RSI at or above 53 will mean price and momentum are aligned to the buy side. Likewise, a close below this level with the RSI at or below 48.5 will mean it is aligned to the sell side. Downside moves that hold at or above USD 3,139 will support a bull argument, below this level the longer-term technical will have a neutral bias.
- Despite finding light bid support the futures remain in a corrective phase. A close on the 4-hour candle above USD 3,453 will indicate that momentum based on price is starting to strengthen, suggesting we could trade to a new high.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	30,080	R1	30,344	RSI above 50	Stochastic overbought	
S2	29,492	R2				31,405
S3	29,169	R3				32,378

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (60)
- Stochastic is overbought
- Price is above the daily pivot point USD 30,080
- Technically bullish yesterday, the futures did open below the daily pivot level but held above key support levels. Like the rest of the base complex the futures shifted higher on the back of USD rejection. Price is above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 30,080 with the RSI at or below 53 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 28,731 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 with price and the RSI making new highs, implying near-term momentum is bullish. However, the RSI is now testing an upper resistance level, suggesting a little caution is needed around these levels. If the RSI closes above USD 60.33 it will warn that the USD 31,975 fractal high is vulnerable, if RSI resistance holds then key support to follow is at USD 28,731. A cautious bull.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,145	R1	2,152.5	Stochastic oversold	RSI below 50
S2	2,128	R2			
S3	2,112	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (48)
- Stochastic is oversold
- Price is above the daily pivot point USD 2,145
- Bearish with a neutral bias yesterday the futures continued to trade lower before finding light buying support on the Asian open. Price is below the EMA resistance band with the RSI near neutral at 48.6, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,145 with the RSI at or above 51.5 will mean price and momentum are aligned to the buy side. Likewise, a close below this level with the RSI at or below 47 will mean it is aligned to the sell side. Upside moves that fail at or below USD 2,200 will leave the futures vulnerable to further tests to the downside. 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 we are bearish with a neutral bias with the futures lacking direction at these levels, leaving us with a neutral view.