



Base Morning Technical Report

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China

China ramped up its support for a nascent economic recovery, seeking to nip a squeeze in bank borrowing costs in the bud by injecting a record amount of cash to its financial system.

The People's Bank of China offered the short-term cash boost to lenders on Friday, having just pumped one-year money into the system earlier this week. The operations came after a gauge of interbank funding costs soared to the highest in two years last week and have stayed elevated since.

Supporting growth became China's top priority after policymakers abruptly dismantled Covid restrictions late last year, as sporadic lockdowns and a property slump sank the economy. But as the end to Covid-Zero lifts consumption and demand for loans, it's also creating a liquidity shortage that could hinder a sustained recovery. (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,880	R1	8,980		RSI below 50
S2	8,845	R2	9,062.5		
S3	8,786	R3	9,110		

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is below 50 (49)
- Stochastic is overbought
- Price is below the daily pivot point USD 8,980
- We noted yesterday that the futures had made a new low, created a positive divergence and held the daily EMA support zone. The futures were not considered a technical sell as resistance levels were vulnerable. Price traded above the USD 9,055.50 fractal resistance meaning the intraday technical is bullish; however, we have seen a pullback on the Asian open. The futures are now in the EMA resistance band with the RSI near neutral at 49.5, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 8,980 with the RSI at or below 45.5 will mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is aligned to the buy side. Downside moves that hold at or above USD 8,880 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish based on price, we are not in a trending environment at this point, as highlighted by the Flat EMA support band. The RSI is just below 50 with the stochastic in overbought territory, momentum is vulnerable to a test to the downside. If the RSI moves above and holds above the 50 level, then the overbought stochastic will be less relevant. The key level to follow is the USD 8,880 support.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,394	R1	2,415	2,401	RSI below 50
S2	2,367	R2	2,431		
S3	2,343	R3	2,443		

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (39)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,394
- Technically bearish yesterday with upside moves considered as countertrend. We had a positive divergence on the lower timeframe chart (60 min) that needed to be monitored, suggesting caution on downside moves, making USD 2,435 the key near-term resistance to follow. The futures initially traded to a new low before moving higher, price remains below the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,394 with the RSI at or below 34 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,431 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 2,464 is the intraday technical bullish.
- We remain technically bearish but continue to see evidence of momentum support on lower timeframe charts, implying resistance levels remain vulnerable at this point.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,990	R1	3,013	Stochastic oversold	RSI below 50
S2	2,982	R2			
S3	2,890	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (39)
- Stochastic is oversold
- Price is on the daily pivot point USD 3,012
- Technically bearish, on a support zone with two positive divergences in play yesterday. The futures were not considered a technical sell as resistance levels were now vulnerable, making USD 3,095 the key resistance to follow. We did initially test downside support before trading higher into the close, price is a little weaker on the Asian open. The futures remain below the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 3,012 with the RSI at or below 37.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 3,095 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 3,145 is the technical bullish.
- Technically unchanged, the futures remain in divergence with price on a support zone. The futures are not considered a technical sell at this point as resistance levels are now vulnerable, making USD 3,095 the key resistance to follow.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	26,487	R1	26,489	Stochastic oversold	RSI below 50	
S2	25,915	R2				27,225
S3	25,770	R3				27,607

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (43)
- Stochastic is oversold
- Price is above the daily pivot point USD 26,387
- Technically bearish with price currently in a trending environment yesterday, the near-term divergence failure warned that the USD 25,915 and USD 25,770 support levels are vulnerable. However, we highlighted on the chart that we potentially have a longer-term divergence in play (11/01/23), meaning we continue to remain cautious at this point. The futures held above the USD 25,915 support with price moving higher. We remain below the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 26,387 with the RSI at or below 37 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 28,125 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 29,225 is the intraday technical bullish.
- Technically bearish, the futures are finding light buying support with price and momentum aligned to the buy side. We remain cautious on downside moves due to the longer-term divergence in play (11/01/23), like yesterday, if we move lower and the divergence fails, then the USD 24,837 support could be tested.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,058.5	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (42)
- Stochastic is oversold
- Price is above the daily pivot point USD 2,040
- Technically bearish and in trend having seen a divergence failure yesterday; however, we had a longer-term divergence in play dating back to the 23/01/23, meaning we remained cautious on downside moves. We did see a test to the downside, but the move failed to hold, resulting in a bullish rejection candle on the 4-hour candle. 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 below USD 2,040 with the RSI at or below 39 will mean price and momentum are aligned to the sell side; likewise, a close above this level with the RSI at or above 43.5 will mean it is aligned to the buyside. Upside moves that fail at or below USD 2,083 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 2,115 is the technical bullish.
- The futures remain bearish but due to the divergence in play we remain cautious on downside moves, as resistance levels are now vulnerable. A close on the 4-hour candle below USD 2,023 will warn that support levels will be vulnerable, as this will be below the base of the bullish rejection candle.

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