



Base Morning Technical Report

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

U.S.

Less than five weeks after the Federal Reserve slowed its pace of interest-rate hikes, Chair Jerome Powell on Tuesday served warning it may need to re-accelerate.

Powell, who on Feb. 1 declared he could now say the “disinflationary process” had begun, delivered a notably different message at a congressional hearing Tuesday morning.

“The latest economic data have come in stronger than expected, which suggests that the ultimate level of interest rates is likely to be higher than previously anticipated,” Powell told the Senate Banking Committee. “If the totality of the data were to indicate that faster tightening is warranted, we would be prepared to increase the pace of rate hikes.” (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	8,724	R1	8,770	Stochastic oversold	RSI below 50	
S2	8,651	R2				8,810
S3	8,567	R3				8,820
					8,851	

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (41)
- Stochastic is oversold
- Price is below the daily pivot point USD 8,810
- A conflicting technical yesterday, having moved higher last week the technical became bearish neutral, the downside move on the 06/03 breached the USD 8,828 support, implying the technical was bearish again; however, we then mean-reverted back to the averages. The RSI and its MA were flat, as are the EMA's, both indicating a lack of directional bias, leaving us neutral. Indicators were directionless, meaning price will be the lead; if we trade below and close below USD 8,810.5 it will suggest a more complex corrective phase, warning of lower pricing. We had a 3-wave move lower, if we traded above and closed above USD 9,025, then the USD 9,135 and USD 9,168 resistance levels could come under pressure, as 3-wave correctives could have bullish implications. The futures broke to the downside, meaning the technical is in a complex corrective phase. Price is below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 8,810 with the RSI at or above 47.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 8,892 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the MA on the RSI is now moving lower, indicating momentum is weakening with the futures making lower lows and lower highs, suggesting the USD 8,670 fractal support is vulnerable.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,338	R1	2,347	Stochastic oversold	RSI below 50
S2	2,326	R2			
S3	2,291	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (40)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,360
- Technically bearish, due to the breach in the USD 2,363 support yesterday, the USD 2,238 and USD 2,321.5 fractals were vulnerable; the MA on the RSI also implied that momentum remained weak. Upside moves on the 4-hour candle that closed above USD 2,422 warned that momentum based on price was starting to strengthen, implying resistance levels could come under pressure. The futures traded to a low of USD 2,343 with price flat on the Asian open, we remain below all key moving averages. The RSI is below 50 with price and momentum aligned to the sell side.
- A close on the 4-hour candle above USD 2,360 with the RSI at or above 46.5 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 2,394 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the MA on the RSI remains weak, suggesting the USD 2,338 and USD 2,321.5 fractal support levels are vulnerable. If we do trade below the USD 2,321.5 fractal low then we have the potential to create a positive divergence on the daily technical, meaning we are cautious on downside breakouts to a new low.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,946	R1	2,982	Stochastic oversold	RSI below 50
S2	2,916	R2	2,987		
S3	2,890	R3	3,000		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (41)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,982
- A cautious bear yesterday as the futures had just held the support band that had been in play for the last 7 months. The futures rejected the EMA resistance band resulting in price moving lower, we are now trading in the support band. The RSI is below 50 with price and momentum aligned to the sell side.
- A close on the 4-hour candle above USD 2,982 with the RSI at or above 47 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 3,018 will leave the futures vulnerable to a test to the downside, above this level the technical will have a neutral bias. Only above USD 3,056 is the technical bullish.
- We remain a cautious bear due to the support zone that is in play. Below USD 2,939 we have the potential to produce a positive divergence with the RSI, not a buy signal it is a warning we could see a momentum slow-down and will need to be monitored. However, momentum remains weak at this point as the MA on the RSI is pointing lower, meaning momentum is conflicting, making USD 3,018 the key resistance to follow.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	24,080	R1	24,504		RSI below 50
S2	23,644	R2	24,950		
S3	21,121	R3	25,505		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (40)
- Stochastic is below 50
- Price is above the daily pivot point USD 24,080
- No change on the technical yesterday, we remained bearish but maintained our view that downside moves are not considered a technical sell, as a new low would create further divergences with the RSI. The futures have moved lower with price now in divergence with the RSI, the futures are below all key moving averages supported by the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4 hour candle above USD 24,080 with the RSI at or above 43 will mean price and momentum are aligned to the buyside. Likewise, a close below this level with the RSI at or below 38.5 will mean it is aligned to the sell side. Upside moves that fail at or below USD 24,504 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 24,950 is the technical bullish.
- Technically bearish but in divergence with the RSI, warning sell side momentum could be slowing. We also have a 3-peak pattern in close succession (highlighted on chart), this is also an exhaustion pattern, for this reason we maintain our view that the futures are not considered a technical sell at this point.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	2,096	R1	2,088	Stochastic oversold	RSI below 50	
S2	2,088	R2				2,140
S3	2,074	R3				2,145

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (45)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,091
- Technically bullish yesterday the futures had closed to the downside of the symmetrical candle. In theory we should have move lower which we did. However, we had concerns based on the lack of follow through in the Asian session and neutral momentum, warning we could be seeing a false breakout, it was not. On the European open the futures sold lower taking the technical into bear territory. Price is below the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,091 with the RSI at or above 51 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,116 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish supported by the MA on the RSI. The futures are nearing the 100% Fibonacci projection from the symmetrical breakout, a close below this level will warn that the USD 2,050 fractal support is vulnerable.

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