



Base Morning Technical Report

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China

China's services activity accelerated in March, a private survey showed, adding to expectations that stronger demand will bolster the economy's recovery this year.

The Caixin China services purchasing managers' index rose to 57.8 in March, the strongest level since November 2020, Caixin and S&P Global said in a statement Thursday. That was higher than economists' expectations the data would match February's reading of 55.

Any reading over 50 indicates an expansion from the prior month, while a number below that suggests contraction. (Bloomberg).

Cu

Copper rose with other metals after data showing China's services activity accelerated in March, bolstering hopes for an improvement in the economy.

The Caixin China services purchasing managers' index rose to its highest mark since November 2020, beating expectations. While services aren't as important as manufacturing and construction for metals demand, the reading suggests business and household confidence is healing. (Bloomberg)

Al

Goldman Sachs expects that aluminum prices will rise as inventory levels approach very low levels in the second half of 2023 and 2024.

It added that the aluminum market has now turned into a deficit.

Goldman Sachs predicts that LME aluminum prices will average \$4,500/mt in 2024 and \$5,000/mt in 2025 (SMM)

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,750	R1	8,834	Stochastic oversold	RSI below 50
S2	8,685	R2			
S3	8,643	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA Resistance band (Black EMA's)
- RSI is below 50 (47)
- Price is above the daily pivot point USD 8,750
- Stochastic is below 50
- Technically bearish yesterday, the MA on the RSI continued to suggest that buyside momentum was weak, warning support levels were vulnerable. This also suggested that resistance levels should in theory hold if tested. We noted on the close report that we had an intraday support candle indicating we were seeing some market buyers coming back into the market. The futures traded to a low of USD 8,665 with price moving higher overnight to test the resistance zone. The futures are 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 8,750 with the RSI at or below 41.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 8,946 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- We remain technically bearish with the futures now trading in the Fibonacci resistance zone. We can see on the chart that this has also been an area of consolidation since the 23/03 to the 03/04, making this an area of interest for market sellers, warning we remain vulnerable to further tests to the downside at this point. If the USD 8,946 resistance is breached, then the depth of the pullback will be considered as deep, warning that the probability of the futures trading to a new low will have decreased.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,343	R1	2,366	Stochastic oversold	RSI below 50
S2	2,336	R2			
S3	2,312	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (47)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,343
- The futures had traded to a low of USD 2,353 yesterday with price previously finding light bid support into the close; however, the upside move had rejected the EMA support band with the MA on the RSI warning buy-side momentum remained weak, suggesting support levels remained vulnerable. We continued to move lower with price trading down to USD 2,325; however, we have seen a move higher in the Asian day session meaning the futures are trading back at yesterday mornings levels. We remain below the EMA support band with the RSI below 50, intraday price and momentum are now conflicting.
- A close on the 4-hour candle above USD 2,343 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 will mean it is aligned to the sell side. Upside moves that fail at or below USD 2,396 will leave the futures vulnerable to further tests to the downside, above this level the futures will target the USD 2,434 fractal high.
- The futures remain in a corrective phase with the MA on the RSI continuing to suggest that buy-side momentum remains weak, warning that the USD 2,312.5 support remains vulnerable.

Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,805	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 (38)
- Stochastic is oversold
- Price is on the daily pivot point USD 2,805
- Technically bearish yesterday, the MA on the RSI implied that momentum remained weak, suggesting upside resistance levels should hold in the near-term if tested, making USD 2,885 the key resistance to follow. The futures continued to sell lower with price trading down to USD 2,775 before finding light bid support into the close. We remain below all key moving averages supported by the RSI below 50, intraday price and momentum are now conflicting.
- A close on the 4-hour candle above USD 2,805 with the RSI at or above 43 will mean price and momentum are aligned to the buy side; likewise, a close below this level will mean it is aligned to the sell side. Upside moves that fail at or below USD 2,871 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- We remain technically bearish with the MA on the RSI continuing to suggest that momentum remains weak, warning that resistance levels should in theory hold if tested. However, we do have a note of caution here as the RSI has held support, meaning there is a minor divergence in play.
- Momentum is conflicting leaving us a cautious bear at this point.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	22,460	R1	22,570	Stochastic oversold	RSI below 50
S2	22,044	R2			
S3	21,508	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (47)
- Stochastic is oversold
- Price is below the daily pivot point USD 22,832
- Technically bullish with a neutral bias yesterday, the futures had started to consolidate above the USD 22,860 support. We continued to reject the upside suggesting buyside momentum remained weak, this is supported by the bearish MA on the RSI that implied momentum is weak. For this reason, we maintained our view that the USD 22,690 support remained vulnerable. The futures have moved lower with support levels now broken, the intraday technical is now bearish. 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 22,832 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 23,042 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish on the back of the break in fractal support, the MA on the RSI continues to suggest that momentum remains weak. However, the 1-hour technical is now in divergence with the RSI, not a buy signal it is a warning that the futures are vulnerable to a momentum slowdown. For this reason, we are now a cautious bear.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,092	R1	2,125		
S2	2,076	R2	2,134		RSI below 50
S3	2,065	R3	2,141		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (44)
- Stochastic is below 50
- Price is above the daily pivot point USD 2,112
- Technically unchanged yesterday, we remained bullish with a neutral bias, the upside rejection the previous day and the day before with the RSI rejecting its MA continued to suggest that support levels are vulnerable. The futures continue to consolidate with price below the EMA support band, the RSI is below 50 with price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,112 with the RSI at or above 51 will mean price and momentum are aligned to the buyside. Likewise, a close below this level with the RSI at or below 46.5 will mean it is aligned to the buyside. Upside moves that fail at or below USD 2,134 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 2,154 resistance.
- Technically bullish with a neutral bias, the futures are now consolidating with the MA on the RSI now flat, whilst price and momentum conflict. For this reason, we have a neutral bias.

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