



Base Morning Technical Report

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China

JPMorgan Chase & Co. and UBS Group AG economists upgraded their forecasts for 2023 GDP growth after first quarter data showed a stronger-than-expected rebound.

JPMorgan economists led by Haibin Zhu raised their growth projection to 6.4% from 6%, saying “a range of factors have led the strong rebound in 1Q activity,” according to a Tuesday research note

They cited a “notable rebound in travel-related consumption and services; front-loaded macro policy support; stronger-than-expected export sector performance, as well as earlier-than-expected bottoming out of housing activity”

UBS economists led by Tao Wang increased their growth estimate for 2023 to 5.7% from 5.4%, citing the “robust rebound in consumption and property” in the first quarter (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,919	R1	8,995	RSI above 50	
S2	8,868	R2	8,963		
S3	8,783	R3	9,165		

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA Resistance band (Black EMA's)
- RSI is above 50 (50)
- Price is below the daily pivot point USD 8,995
- Stochastic is oversold
- Technically bullish but in a corrective phase yesterday, the RSI was neutral at 50 with the stochastic in over-sold territory. If the RSI could hold above 50 then momentum would be vulnerable to a test to the upside; however, if the RSI moved below 50 then the oversold stochastic would be considered as less relevant. Countering this, the MA on the RSI was starting to turn lower, suggesting buyside momentum was weakening. The recent upside move in the RSI would suggest the current corrective move lower looked to be potentially countertrend, implying we could/should in theory see another test to the upside. If however, we did trade below USD 8,919, then the pullback would be considered as deep, warning the technical condition was weak, suggesting caution, as the probability of another move higher would have decreased. Likewise, a close on the 4-hour candle above USD 9,072.5 would warn that momentum based on price was strengthening, warning resistance levels could be vulnerable. The futures held support yesterday but failed to see any significant push, resulting price moving lower in the Asian day session. The futures are between the EMA support band with the RSI still neutral at 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 8,995 with the RSI at or above 55 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 8,919 will support a bull argument, below this level the technical will have a neutral bias.
- Unchanged on the technical from yesterday, except for the RSI rejecting its MA, suggesting the USD 8,919 support is starting to look vulnerable, if broken, the probability of the futures trading to a new high will decrease.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,417	R1	2,429	RSI above 50	Stochastic overbought
S2	2,407	R2			
S3	2,397	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (61)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,417
- We remained technically bullish yesterday as the futures had held Fibonacci and EMA support, suggesting resistance levels were now vulnerable. A close below USD 2,358.5 would warn the momentum based on price was starting to weaken. Having held support the futures moved higher during the session with price breaking resistance levels. Price is above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 2,417 with the RSI at or below 55.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,383 will support a bull argument, below this level the technical will have a neutral bias. Only below USD 2,353 is the technical bearish.
- Technically bullish, the lower timeframe 1 hour chart is in divergence with the RSI, not a sell signal it is warning we have the potential to see a momentum slowdown, making USD 2,383 the key support to follow.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,822	R1	2,858	RSI above 50	
S2	2,794	R2	2,881		
S3	2,772	R3	2,912		

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is above 50 (51)
- Stochastic is below
- Price is below the daily pivot point USD 2,858
- The MA on the RSI had started to flatten yesterday, warning buyside momentum was showing signs that it could be slowing down; however, the RSI was at 51 with the stochastic in oversold territory. If the RSI could hold above 50, then momentum warned that the futures were vulnerable to a test to the upside, if we moved below 50 then the oversold stochastic would be considered less relevant. A close on the 4-hour candle above USD 2,869 would indicate that momentum based on price was starting to strengthen, implying resistance levels could come under pressure. We remain bearish with a neutral bias; momentum continues to warn that resistance levels are still vulnerable at this point. The futures did initially move higher but failed to hold with price failing to close on the 4-hour candle above USD 2,869, resulting in the futures coming under pressure into the close and the Asian open. The futures are trading in the EMA support band with RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,858 with the RSI at or above 54 will mean price and momentum are aligned to the buyside. Likewise, a close below this level with the RSI at or below 49.5 will mean it is aligned to the sell side. Downside moves that hold at or above USD 2,794 will support a near-term bull argument, below this level we target the USD 2,734.5 fractal low.
- We remain bearish with a neutral bias; the MA on the RSI continues to move lower, indicating buyside momentum remains weak. A close on the 4-hour candle below USD 2,830 will imply that price is weakening, warning the USD 2,794 support could come under pressure.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	25,224	R1	25,315	RSI above 50	Stochastic overbought
S2	25,183	R2			
S3	25,025	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (63)
- Stochastic is overbought
- Price is above the daily pivot point USD 25,224
- Technically bullish yesterday, we were cautious on upside moves due to the negative divergence in play. The futures have moved higher, meaning the divergence has failed. The futures are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 25,224 with the RSI at or below 59.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 24,810 will support a bull argument, below this level the technical will have a neutral bias.
- We were cautious on upside moves yesterday; however, the divergence failure now supports a bull argument, as it suggests we are seeing some form of Elliott wave extension. Downside moves should now be considered as countertrend at this point.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,123.5		RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (48)
- Stochastic is above 50
- Price is below the daily pivot point USD 2,134
- The technical is bullish but with a neutral bias yesterday, the depth of the pullback indicated price action was weak, meaning the probability of the futures trading to a new high has decreased. The MA on the RSI was turning lower, implying buyside momentum was weakening. The futures moved higher but failed to trade above the USD 2,151 resistance, resulting in price coming under pressure today. Price is below the EMA support 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 2,134 with the RSI at or above 53 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,151 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 2,179.5 fractal high.
- Having rejected the resistance level yesterday support levels are now vulnerable. However, we can see that between late March and early April the futures were in a consolidation phase which has the potential to act as a support zone. USD 2,117 is the most heavily traded area in the last 30 days, this will be an area of interest for market buyers (Support), If we trade below and close below this level then support levels will be vulnerable. We are cautious around these levels, as this is an important support and could hold.