



Base Morning Technical Report

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China

The Chinese central bank will ensure the interest rates are appropriate via implementing the prudent monetary policy, according to a briefing held by PBOC officials.

PBOC to watch for risks from interest rates after failure of Silicon Valley Bank

PBOC expects China 2023 credit, social financing to be stable

PBOC to implement forceful, targeted and prudent monetary policy

China financial institutions' bond investment rose rapidly: PBOC

China's consumer prices still rising mildly; PBOC sees no base for long-term disinflation or inflation

Recovery in demand for commodities will take time (Bloomberg).

Cu

Rio Tinto's first-quarter production report missed estimates in bauxite and copper, with the company cutting its mined copper production guidance for 2023. Iron ore output also missed slightly, even as shipments rose to a 1Q record. The shares drop 1.2%, matching broader declines among mining stocks (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,868	R1	8,975		RSI below 50
S2	8,783	R2	8,928.5		
S3	8,665	R3	9,183		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA Resistance band (Black EMA's)
- RSI is below 50 (50)
- Price is below the daily pivot point USD 8,949
- Stochastic is below 50
- The technical had been unchanged yesterday except for the RSI rejecting its MA, warning that support levels were vulnerable. We did move lower but held secondary support resulting in a P.M. move higher. Price is lower on the Asian open with the futures below the EMA support band whilst the RSI is below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 8,949 with the RSI at or above 55 will mean price and momentum are aligned to the buy side. 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.
- The pullback is deep, the technical although bullish now has a neutral bias. We have a 3-wave corrective pattern lower with the futures holding initially at the 61.8% retracement, rejecting the 38.2% resistance and then holding the 78.6% yesterday. This is a bullish Gartley pattern and warns that resistance levels are vulnerable. If the futures trade below USD 8,783 then the pattern will have failed. We should note that the MA on the RSI would suggest that momentum is still weak; however, the pattern is the area of interest at this point, which is bullish. If it fails then price could come under further pressure.

Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,445	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (61)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,431
- Technically bullish yesterday, 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. The futures traded to a low of USD 2,400, meaning support held, resulting in price trading back to new highs. We remain 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 2,431 with the RSI at or below 58.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,386 will support a bull argument, below this level the technical will have a neutral bias. Only below USD 2,353 is the technical bearish.
- We remain technically bullish, the new high this morning means that we now have divergences in the 1 and 4-hour charts. Not a sell signal, it is warning we have the potential to see a momentum slowdown and will need to be monitored. Key support is USD 2,386.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,758	R1	2,766	Stochastic oversold	RSI below 50
S2	2,734	R2			
S3	2,706	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is below 50 (38)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,806
- We remained bearish with a neutral bias yesterday; the MA on the RSI continued to move lower, indicating buy-side momentum remained weak. A close on the 4-hour candle below USD 2,830 would imply that price is weakening, warning the USD 2,794 support could come under pressure. The futures moved lower, closed below the USD 2,830 level, resulting in price trading down to USD 2,760 this morning. The futures are 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 2,806 with the RSI at or above 49 will mean price and momentum are aligned to the buy-side. Upside moves that fail at or below USD 2,837 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- The MA on the RSI is weak, suggesting the USD 2,734 fractal low is now vulnerable. The technical is bearish, due to support levels being broken, we no longer have a neutral bias. A close on the 4-hour candle above USD 2,791.5 will warn that momentum based on price is starting to strengthen, implying the Fibonacci resistance zone could be tested.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	25,207	R1	25,280	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 (58)
- Stochastic is overbought
- Price is above the daily pivot point USD 25,207

The divergence failures two days ago supported a bull argument, suggesting downside moves should be considered as countertrend. The futures did correct and broke key support, meaning we had a neutral bias. However, we moved higher into the close with price entering back into bull territory, a volatile session. Price is above 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 25,207 with the RSI at or above 63 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. 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 (The USD 24,810 support remains in play due to the strong rebound in price).

Technically bullish, we now have a note of caution, as a move above the USD 25,710 level will create a negative divergence with the RSI. Not a sell signal, it does warn that we have the potential to see a momentum slowdown and will need to be monitored.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,117	R1	2,142	RSI above 50	Stochastic overbought
S2	2,103	R2			
S3	2,082	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is above 50 (51)
- Stochastic is overbought
- Price is below the daily pivot point USD 2,144
- Having rejected the resistance level previously support levels were starting to look vulnerable yesterday. However, we could see that between late March and early April the futures were in a consolidation phase which had the potential to act as a support zone. USD 2,117 was the most heavily traded area in the last 30 days, making it an area of interest for market buyers (Support), If we traded below and closed below this level, then support levels would be vulnerable. We were cautious around these levels, as this is an important support and could hold. The futures traded to a low of USD 2,120 before trading back above the USD 2,151 resistance. Price has moved below lower this morning, but we remain above the EMA support band with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,144 with the RSI at or above 54.5 will mean price and momentum are aligned to the buy side. Likewise, a close below this level with the RSI at or below 50 will mean it is aligned to the sell side.
- Technically the futures are back in bull territory having held key support at USD 2,117 yesterday. The MA on the RSI is also turning higher, meaning momentum is showing early signals that it is finding support. However, if we do trade below and hold below the USD 2,117 level then support levels will be vulnerable. The downside move in price this morning is warning that we could roll to the sell side, implying the USD 2,117 level could come under pressure, making this the key level to follow.

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