



# Base Morning Technical Report

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## China

China's short-term borrowing costs fell as the central bank continued to inject liquidity in the money market via open market operations. The yuan falls with most emerging Asian currencies amid firmer greenback.

Overnight repo rate falls 15bps to 1.59%, the lowest since April 14 after easing 53bps on working Sunday; 7-day repo rate drops 17bps to 2.00%

PBOC injects net 95b yuan in open market operations, according to Bloomberg calculation

10-year government bond yield is little changed at 2.82%; Futures contracts on 10-year notes gains 0.1% to 100.97 (Bloomberg).

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,783	R1	8,785.5	Stochastic oversold	RSI below 50
S2	8,665	R2			
S3	8,675	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA Resistance band (Black EMA's)
- RSI is below 50 (39)
- Price is below the daily pivot point USD 8,814
- Stochastic is oversold
- Technically bullish with a neutral bias last week, the bullish Gartley pattern had remained in play. Momentum was starting to conflict as the MA on the RSI indicated momentum is weak; however, the 1-hour technical was showing a positive divergence with price, warning we had the potential to see a momentum slowdown. A move below USD 8,783 would mean that the Gartley pattern has failed, leaving the USD 8,675 support vulnerable. The futures moved lower with price trading below the USD 8,783 fractal support, the intraday technical is now bearish. Prices 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 8,814 with the RSI at or above 46.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 8,941 will leave the futures vulnerable to further tests to the downside.
- Technically bearish, the downside moves on Friday means that the 1-hour divergence has now failed, as has the bullish Gartley pattern, warning that the USD 8,675 support is now vulnerable. The MA on the RSI continues to warn that momentum remains weak at this point.

# Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,386	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below/between the EMA support band (Black EMA's)
- RSI is below 50 (47)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,401
- The futures moved lower last week on the back of the negative divergence with the RSI. Price is now between/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 2,401 with the RSI at or above 57 will mean price and momentum are aligned to the buy side. Downside moves below USD 2,353 will mean the intraday technical is bearish.
- The downside move is now considered as deep, the technical although bullish now has a neutral bias. The MA on the RSI is indicating that buy side momentum is weak, warning that the USD 2,353 support level is vulnerable. A close on the 4-hour candle above USD 2,402.5 will warn that momentum based on price is starting to strengthen. A cautious bull as support levels are looking like they could come under pressure.

# Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,702	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 (31)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,737
- We noted last week that the MA on the RSI warned that the USD 2,734 fractal support was looking vulnerable, the depth of the pullback meant that the technical was once again considered as bearish. The futures continued to move lower with price trading below the USD 2,734.5 fractal support. Price is below all key moving averages with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,737 with the RSI at or above 40.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,816 will leave the futures are vulnerable will leave the futures are vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, we are seeing warnings that we could be seeing a momentum slowdown on lower timeframe oscillators; however, the RSI is making new lows whilst the MA on the RSI would suggest momentum remains weak on the 4-hour chart, implying upside moves have the potential to be countertrend at this point.

# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	23,564	R1	24,075	Stochastic oversold	RSI below 50
S2	23,108	R2			
S3	22,355	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is above 50 (45)
- Stochastic is oversold
- Price is above the daily pivot point USD 24,649
- Technically bullish but with a note of caution on the last report, as a new high would create a negative divergence with the RSI. The Futures traded to new high before entering a corrective phase on Friday. We continue to move lower this morning, meaning the intraday technical is now bearish. The futures are 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 24,649 with the RSI at or above 56.5 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 25,297 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 intraday, the daily technical remains in bullish territory. The MA on the RSI continues to suggest that momentum is weak with the RSI making new lows, implying upside moves have the potential to be countertrend at this point, making USD 25,297 the key resistance to follow. Downside moves that hold at or above USD 23,564 will support a bull argument on the daily technical, below this level the USD 23,108 support become vulnerable. A close on the 4-hour candle above USD 24,865 will imply that momentum based on price is starting to strengthen, warning the USD 25,297 resistance could come under pressure.

# Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,143.5	RSI above 50	
S2	R2			
S3	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (51)
- Stochastic is below 50
- Price is below the daily pivot point USD 2,157
- Technically the futures had entered bull territory last week having held the USD 2,117 level with the MA on the RSI starting to turn higher, warning that momentum was showing early signs that that it could be finding support. The futures were rolling over to the sell side, implying the USD 2,117 level had the potential to come under pressure, making this the key level to follow. The downside move failed to hold resulting in the futures finding bid support; however, we are yet to trade to a new high. Price has moved lower in the Asian day session, but we remain above the EMA support band, the RSI is above 50 with intraday price and momentum aligned to the sell side.
- A close on the 4-hour candle above USD 2,157 with the RSI at or above 56 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 2,122 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, upside moves above USD 2,179.5 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 on a new high, suggesting caution on upside breakouts. Note: the recent upside move looks to be lacking structure, suggesting it is not bullish impulse, warning support levels are now vulnerable.

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