



Base Morning Technical Report

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

China

China's exports rose in April, pointing to still strong global demand despite concerns about high interest rates and slowing economic growth rates.

Exports expanded 8.5% in US dollar terms last month from a year earlier, while imports declined 7.9%, the customs administration said Tuesday in Beijing. That left a trade surplus of \$90 billion for the month. Economists surveyed by Bloomberg had forecast that exports would increase by 8%, while imports would fall by 0.2%.

The export growth numbers were boosted by comparison with April last year when much of the country including major manufacturing areas in and around Shanghai were under lockdown and companies were unable to get their goods to port. (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	8,550	R1	8,640	RSI above 50	Stochastic overbought	
S2	8,426	R2				8,742
S3	8,412	R3				8,834

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA Resistance band (Black EMA's)
- RSI is above 50 (52)
- Price is above the daily pivot point USD 8,550
- Stochastic is overbought
- We remained bearish but in consolidation last week, a move below USD 8,426 would confirm that we were on a bearish impulse wave 5, with a potential downside target at USD 8,341. Upside moves should have in theory been countertrend. The MA on the RSI had flattened but was acting as a support to the RSI. We did have another test to the downside yesterday but the move failed to make a new low, resulting in price closing in the EMA resistance band. The RSI has moved above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 8,550 with the RSI at or below 44 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 8,834 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- The futures are moving higher having failed to make a new low. In theory, based on our intraday Elliott wave cycle, this upside move should be countertrend; however, we have consolidated and formed a base over the previous seven sessions with the MA on the RSI indicating that momentum is supported at this point. The cycle is still bearish, with key resistance unchanged at USD 8,834, but we are becoming a cautious bear due to the base that has formed in the market, as it is warning that resistance levels are starting to look a little vulnerable.

Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	2,281	R1	2,306	RSI below 50
S2	2,253	R2	2,319	
S3	2,217	R3	2,349	

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (44)
- Stochastic is below 50
- Price is below the daily pivot point USD 2,306
- We were cautious on downside moves on Friday due to a positive divergence with the RSI that warned we had the potential to see a momentum slowdown. The futures did move higher yesterday but have come under pressure today, price is below the EMA resistance band with the RSI below 50, intraday price and momentum are conflicting, as the RSI is above its MA.
- A close on the 4-hour candle below USD 2,306 with the RSI at or below 42 will mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is aligned to the buyside. Upside moves that fail at or below USD 2,349 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- The futures have moved higher on the positive divergence but rejected the key resistance on the open. Technically, the USD 2,277.50 fractal low is still vulnerable; however, a new will create a second positive divergence with the RSI, suggesting caution on downside breakouts.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,668	R1	2,682.5	RSI above 50	Stochastic overbought
S2	2,580	R2			
S3	2,542	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (53)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,668
- Technically bearish on the last report, intraday Elliott wave analysis continued to suggest that upside moves should be considered as countertrend. A close on the 4-hour candle above USD 2,663.5 would indicate that moment based on price was starting to strengthen, suggesting the Fibonacci resistance zone could come under pressure. The futures have moved higher with price now testing the base of the Fibonacci resistance zone. Price is above the EMA resistance band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,668 with the RSI at or below 46 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,777 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 would suggest that momentum is supported in the near-term. However, intraday Elliott wave analysis would suggest that the current upside move is potentially countertrend, making USD 2,777 the key resistance to follow.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	23,888	R1	24,155		RSI below 50
S2	23,596	R2			
S3	23,100	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (48)
- Stochastic is below 50
- Price is below the daily pivot point USD 24,355
- We remained technically bullish but in a corrective phase in the last report. Two daily rejection candles whilst the MA on the intraday RSI was weakening, suggested support levels could come under pressure. The futures moved higher yesterday but the upside move has failed to hold, resulting in a downside move on the Asian open. 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 24,355 with the RSI at or above 52.5 will mean price and momentum are aligned to the buy side. The futures breached the USD 23,888 support yesterday, meaning the USD 23,596 and USD 23,100 levels are now vulnerable.
- Technically bullish but in a corrective phase, the two-rejection candles on the daily chart and the deep pull-back would suggest that support levels remain vulnerable. If we do start to see intraday closes above USD 24,965 it will imply that momentum based on price is starting to strengthen, leaving the USD 25,950 fractal high vulnerable.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,099	R1	2,118	Stochastic oversold	RSI below 50
S2	2,093.5	R2	2,127		
S3	2,082.5	R3	2,136		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (44)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,118
- We remained bullish with a neutral bias on the last report with the MA on the RSI suggesting that momentum was weak. However, if we closed on the 4-hour candle above USD 2,134.5 then it would warn that the USD 2,148 resistance level could be broken. Like the previous day, we were cautious on upside moves. We did have a small move higher, but it failed to hold; 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 2,118 with the RSI at or above 48.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,148 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 2,174 fractal high.
- Technically bullish with a neutral bias, the MA on the RSI does suggest that momentum remains weak, however the MA is starting to flatten a little, meaning momentum is not as weak as it was last week. A close on the 4-hour candle above USD 2,121 will warn that momentum based on price is starting to strengthen which would suggest that resistance levels could come under pressure. We remain cautious on upside moves at this point.

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at freightinvestorservices.com