



Base Morning Technical Report

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China

China's exports fell 7.5% from a year earlier in May and imports were down 4.5%, adding to signs an economic rebound following the end of anti-virus controls is slowing as global demand weakens under pressure from higher interest rates.

Exports slid to \$283.5 billion, reversing from April's unexpectedly strong 8.5% growth, customs data showed Wednesday. Imports fell to \$217.7 billion, moderating from the previous month's 7.9% contraction. China's global trade surplus narrowed by 16.1% to \$65.8 billion.

Trade weakness adds to downward pressure on the world's second-largest economy following lackluster factory and consumer activity and a surge in unemployment among young people.

"China's exports will remain subdued, as we anticipate the U.S. economy to enter recession," Lloyd Chan of Oxford Economics said in a report. (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,312	R1	8,321	RSI above 50	Stochastic overbought
S2	8,153	R2			
S3	8,110	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (56)
- Price is above the daily pivot point USD 8,312
- Stochastic is overbought
- Technically bullish yesterday, the futures were yet to trade above the USD 8,381 fractal resistance, if broken then we have a potential near-term upside target at USD 8,486. However, a new high would create a negative divergence with the RSI, not a sell signal it would warn that we had the potential to see a momentum slowdown which needed to be monitored. Little price movement yesterday with the early downside move failing to test the EMA support band. The RSI remains above 50 with price and momentum aligned to the buyside.
- A close on the 4-hour candle below USD 8,312 with the RSI at or below 54.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 8,153 will support a bull argument, below this level the technical will have a neutral bias.
- Technically unchanged, we are yet to trade above USD 8,381, we still have a potential upside target at USD 8,486 but remain cautious on a new high due to a potential negative divergence.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,197	R1	2,221.5	Stochastic oversold	RSI below 50
S2	2,184	R2			
S3	2,161	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (44)
- Stochastic is oversold
- Price is above the daily pivot point USD 2,220
- Technically, unchanged yesterday. The MA on the RSI suggested that momentum was weakening; however, as noted previously the futures looked to have completed a downside wave cycle, warning the technical could be transitioning to the buy side. Bullish with a neutral bias, we remained cautious on downside moves. A close on the 4-hour candle above USD 2,258 would indicate that momentum based on price was starting to improve, warning resistance levels could be vulnerable. The futures continued to move lower with price trading down to USD 2,205 before finding light buying support on the open. Price is below the EMA resistance band with the RSI below 50, intraday price and momentum are now conflicting, as the upside move on the open has resulted in a close above the daily pivot point.
- A close on the 4-hour candle above USD 2,220 with the RSI at or above 49 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 2,277 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 2,314.5 fractal high.
- We remain bullish with a neutral bias with our intraday Elliott wave analysis continuing to suggest that the downside cycle has potentially completed. For this reason, we maintain a cautious view on downside moves at this point. If we do trade below USD 2,190 it would suggest there is potentially a larger bear cycle in play (I.E some form of 5th wave extension); However, based on the current technical, we cannot make this call.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	2,314	R1	2,340.5	RSI above 50	Stochastic overbought	
S2	2,258.5	R2				2,413
S3	2,234.5	R3				2,451

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is above 50 (53)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,314
- Technically bearish with upside moves considered as countertrend yesterday. The Elliott wave cycle remains on a bearish wave 3, as we are yet to confirm if this will be a wave extension to the downside, or a move higher into a countertrend wave 4. The futures continued to move higher with price trading between the EMA resistance band. The RSI is above 50 with price and momentum aligned to the buy side.
- A close on the 4-hour candle below USD 2,314 with the RSI at or below 43 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,413 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 2,515.5 is the technical bullish.
- Technically bearish, the futures have confirmed that we are on a higher timeframe Elliott wave 4 and not a lower timeframe extended wave 3. Upside moves are still considered as countertrend, making USD 2,413 the key resistance to follow, this also means we remain cautious on upside moves at this point.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	20,999	R1	21,720		RSI below 50
S2	20,650	R2	21,840		
S3	20,310	R3	22,313		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (47)
- Stochastic is below
- Price is above the daily pivot point USD 20,999
- We remained bearish with a neutral bias yesterday and maintained our neutral view, as we had potentially seen the downside cycle complete; however, we needed to see a move above USD 21,840 for confirmation. Further sideways action with price still below the EMA resistance band supported by the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 20,889 with the RSI at or below 45.5 will mean price and momentum are aligned to the buyside. Upside moves above USD 21,840 will mean the technical is bullish.
- Technically neutral due to the futures being in consolidation, we still need to see the futures trade above USD 21,840 for confirmation that this phase of the Elliott wave cycle has completed.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,035.5		RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is below 50 (49)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,032
- Technically bearish with upside moves considered as countertrend yesterday. The MA at 51 was near neutral with the stochastic in overbought territory, if the RSI moved below and held below 50, then momentum warned we could see support levels be tested. If our Elliott wave analysis is correct then we should in theory still move lower; however, above USD 2,057 would suggest a more cautious approach. Little price action yesterday with price closing higher but rejecting the upper EMA resistance band, price remains within the band with the RSI near neutral at 49, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,032 with the RSI at or below 45 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,057 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 starting to flatten a little, warning buyside momentum is slowing whilst the RSI is moving below 50. We maintain our view, based on intraday Elliott wave analysis that upside moves should be considered as countertrend.