



# Base Morning Technical Report

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## China

Asian equities climbed, on course for a third-straight day of gains, driven by an ongoing rally in Chinese technology stocks and optimism that the Federal Reserve may halt its aggressive monetary tightening soon.

The MSCI Asia Pacific Index rose 1.6%, with most key gauges around the region registering gains. US stock benchmarks rose Wednesday as Treasury yields slumped after the June inflation print came in cooler than expected, bolstering bets on an end to Fed rate hikes within months.

“We have moved beyond the crisis mentality on inflation,” Jack McIntyre, a portfolio manager at Brandywine Global, told Bloomberg Television in an interview. McIntyre expects the Fed to pause after another 25 basis point increase later this month. (Bloomberg).

## Metals

Base metals rallied broadly in London, bolstered by a slump in the dollar after a report showed US inflation eased to the slowest pace in more than two years.

The consumer price index rose 3% last month from a year ago, data showed Wednesday. Excluding food and energy, the core CPI — which economists view as the better indicator of underlying inflation — advanced 4.8%, also the lowest since 2021.

Copper and aluminum both climbed more than 2% to the highest in almost three weeks following the print, as the dollar slid. A weaker greenback boosts buying power for commodities users outside the US, while the slowdown in inflation also stoked hopes that the Federal Reserve can soon wrap up aggressive interest-rate hikes.

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,451	R1	8,517	RSI above 50	Stochastic overbought
S2	8,424	R2	8,559		
S3	8,386	R3	8,635		

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (61)
- Price is above the daily pivot point USD 8,458
- Stochastic is overbought
- Technically bearish yesterday, the MA on the RSI was flat, warning momentum was turning neutral; however, price action had been weak having broken a key level previously, suggesting support levels were vulnerable. The futures were also back trading in the daily EMA resistance band, suggesting caution on upside moves, as this was a natural area of resistance. The futures moved lower on the London open; However, inflation data from the U.S resulted in the dollar selling lower and a subsequent spike in the futures. Price is now above the EMA support band (the averages have crossed) with the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 8,458 with the RSI at or below 53.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 8,386 will support a bull argument, below this level the technical will have a neutral bias.
- The move higher means the intraday technical is now bullish with the MA on the RSI suggesting momentum is supported. The USD 8,517 resistance has now been breached, warning the USD 8,559 and USD 8,635 resistance levels are now vulnerable. Downside moves will now potentially be countertrend based on the RSI making a new high.

# Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,212	R1	2,245	RSI above 50	Stochastic overbought
S2	2,203	R2	2,258		
S3	2,191	R3	2,294		

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (66)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,214
- The futures were moving higher yesterday with the MA on the RSI suggesting price is supported in the near-term. However, our Elliott wave cycle continues to suggest that this upside move was potentially counter-trend. We reiterated that the USD 2,190 – USD 2,210 is an area of interest, as wave theory suggests this is often an area that the wave 4 could terminate. A weak USD resulted in a strong move higher with price now above the USD 2,237 resistance. The futures are above the 8-EMA support band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,214 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 2,191 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish based on price, the move above the USD 2,237 resistance would suggest that the probability of getting the downside move to new lows is less likely, as the RSI is making new highs, implying downside moves should be considered as countertrend at this point. Officially the Elliott wave cycle has not yet failed, price and momentum indicators are suggesting it will.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,401	R1	2,449	RSI above 50	Stochastic overbought
S2	2,324	R2	2,470		
S3	2,293	R3	2,520.5		

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (62)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,401
- The technical was bearish yesterday; however, the futures were in consolidation with a neutral RSI and stochastic, which were both at 50. The intraday EMA band was also flat, indicating a lack of direction bias. Technically vulnerable to random movement whilst in consolidation, suggesting a neutral bias should be maintained. The futures moved higher with price leaving the consolidation phase, we are above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 2,401 with the RSI at or below 52.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above 2,380 will support a near-term bull argument, below this level the USD 2,345 fractal low will be vulnerable.
- Technically bearish, we now have a neutral bias, above USD 2,470 the intraday technical will be bullish based on price. However, the longer-term Elliott wave cycle remains bearish below USD 2,732. The MA on the RSI would suggest momentum is supported with downside moves currently considered as countertrend based on the RSI making new highs.



# Nickel Morning Technical (4-hour)



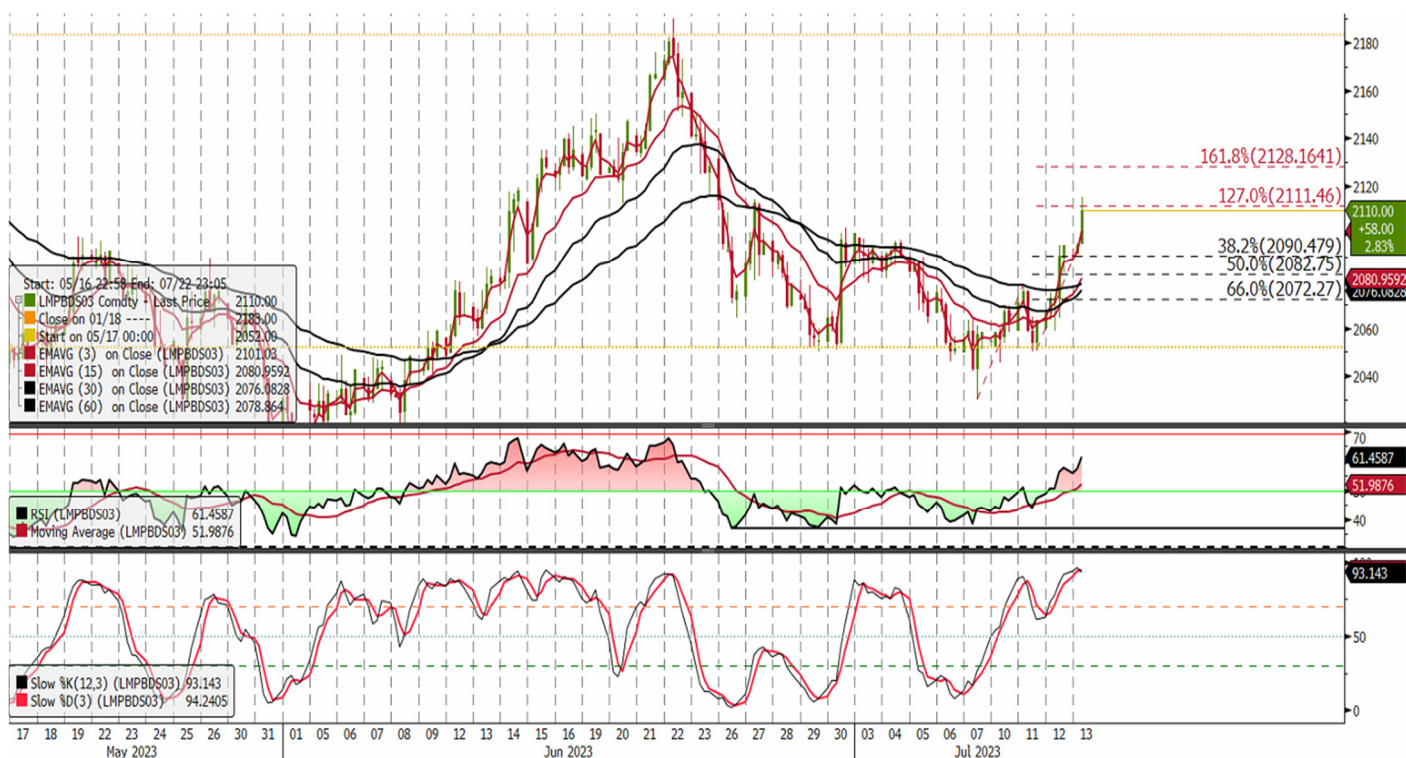
Support	Resistance	Current Price	Bull	Bear
S1	R1	21,350	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Source Bloomberg

## Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (55)
- Stochastic is overbought
- Price is below the daily pivot point USD 21,371
- Technically bullish, the MA on the RSI suggested that momentum remained neutral, this was supported by a flat EMA band, indicating a lack of directional bias. As previously noted, upside moves that fail at or below USD 22,218 would warn that there is potentially a larger corrective cycle in play. Having tested the downside three times in three days it would suggest that the futures are supported with the longer-term trend potentially transitioning to the buyside; however, with the futures trading into the daily EMA resistance band, suggesting caution as this is a natural area of resistance. A close on the 4-hour candle below USD 20,580 would imply that sell side momentum was increasing, leaving support levels vulnerable. The futures did continue to move higher with price now above the EMA support band, The RSI is above 50 with intraday price and momentum aligned to the buyside, as the previous candle closed above the daily pivot point.
- A close on the 4-hour candle below USD 21,371 with the RSI at or below 51.5 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 20,959 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish with price making new highs, MA on the RSI is suggesting momentum is supported. The futures have seen a small pullback today warning that the USD 20,959 support could be tested, making this the key level to follow. As previously noted, upside moves that fail at or below USD 22,218 will warn that there is potentially a larger corrective cycle in play.

# Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,090	R1	2,110	RSI above 50	Stochastic overbought
S2	2,082	R2			
S3	2,072	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (61)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,083
- Technically bearish yesterday, our Elliott wave analysis suggesting resistance levels remain vulnerable, as the futures were holding above the USD 2,046 level, supporting a near-term bull argument. If broken, the USD 2,030 fractal support could be tested and broken. we continued to move higher with the futures now in bull territory. 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 2,083 with the RSI at or below 50 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,072 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI would suggest momentum is supported whilst the RSI is making new highs. This would suggest that intraday downside moves should be considered as countertrend at this point.

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