



# Base Morning Technical Report

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Speculators have increased their bullish LME aluminum bets by 115,134 net-long positions to 193,486, weekly bourse data on futures and options show.

The net-long position was the most bullish on record in data going back to January 2018

Long-only positions fell 8,805 lots to 721,983 in the week ending Sept. 1

The long-only total was the lowest in more than 14 weeks

Short-only positions fell 13,099 lots to 639,337

The short-only total was the lowest in more than 10 weeks

NOTE: Figures do not include risk-reducing (hedging) trades. For details, see LME AH COT (Bloomberg).

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,421	R1	8,459	RSI above 50	
S2	8,373.5	R2			
S3	8,321	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (52)
- Price is above the daily pivot point USD 8,448
- Stochastic is below 50
- Technically bullish with a neutral bias yesterday, the depth of the pullback meant that the probability of the futures trading to a new high had decreased. However, the RSI was above 50 with the stochastic in oversold territory, if the RSI could hold above 50, then momentum warned that we could see another test to the upside, making USD 8,536 the key resistance to follow. Likewise, if the RSI moved below 50 then the stochastic becomes less relevant, at this point the USD 8,373 fractal support would start to become vulnerable. The futures traded to a low of USD 8,376 before finding buyside support, resulting in the RSI moving back above 50. Price is above the EMA support band with price and momentum aligned to the sell side, as the opening candle closed below the daily pivot level.
- A close on the 4-hour candle above USD 8,448 with the RSI at or above 55 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 8,523 will leave the futures vulnerable to further tests to the downside, above this level will warn that the USD 8,599 fractal high could come under pressure.
- Technically bullish with a neutral bias, the MA on the RSI is warning that momentum is weak at this point. We also highlight that the RSI has made a new low, in theory this is known as a bullish hidden divergence as price held support, resulting in a move higher. However, the support break on the RSI does warn that this move higher could struggle to hold, suggesting support levels in the futures are vulnerable.

# Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,195	R1	2,211	RSI above 50	
S2	2,185	R2	2,220		
S3	2,171	R3	2,233		

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (51)
- Stochastic is oversold
- Price is above the daily pivot point USD 2,195
- Technically bullish with price in a corrective phase yesterday, the MA on the RSI suggested that momentum was weak whilst the upside move yesterday morning had rejected the daily pivot point. Countering this, the RSI remained above 50 with the stochastic in oversold territory, if the RSI could hold above 50 then momentum warned that we could see a move higher. If the RSI moved below 50 then the stochastic would be considered as less relevant, warning that the USD 2,185 support could come under pressure. If broken, the pull-back will be considered as deep, meaning the probability of the futures trading to a new high will decrease. The recent upside move in the RSI (last Friday) continued to suggest that the current move lower is potentially countertrend. The RSI moved below 50 with price trading below the USD 2,185 support, meaning the technical although bullish now has a neutral bias. We have seen a small move higher this morning meaning price is 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 2,195 with the RSI at or above 55 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 2,233 will leave the futures vulnerable to further tests to the downside, above this level the technical is considered as bullish, warning that the USD 2,260 fractal high could come under pressure.
- Technically bullish with a neutral bias, we have conflicting momentum indicators again, as the RSI is above 50 with the stochastic in oversold territory. Momentum is warning that the futures are vulnerable to a move higher, providing the RSI can hold above 50. Countering this, the MA on the RSI is suggesting that momentum is weak at this point. The deep pullback means that the probability of the futures trading to a new high has decreased but the Elliott wave cycle continues to suggest that we are vulnerable to a move higher, albeit from a neutral environment. 1 – hour momentum is now turning bullish; however, market buyers will need to see the 4-hour RSI close above its average, if we do, then focus will be on the USD 2,233 resistance.
- A very mixed technical, there are warning signs of support on the lower timeframe, but the deep pullback is a concern.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,448	R1	2,473	RSI above 50	
S2	2,436	R2			
S3	2,416	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (59)
- Stochastic is oversold
- Price is above/on the daily pivot point USD 2,471
- Technically unchanged again yesterday, the futures remained in bullish territory with warning signs of exhaustion, as price was moving lower on the back of a negative divergence on the 1-hour chart, alongside the 5-wave pattern higher. If we traded above USD 2,509.5, we would in theory be looking at some form of Elliott wave extension; likewise, if we traded below USD 2,448 then the pullback would be considered as deep, implying that the probability of the futures trading to a new high would decrease. Like the previous day, we maintained a neutral view as the exhaustion signs continue to suggest that support levels could be vulnerable despite the new high in the RSI last week. The futures continue to move sideways, meaning we are starting to consolidate. Price is above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the sell side, as the opening candle closed below the daily pivot level.
- A close on the 4-hour candle above USD 2,471 with the RSI at or above 64.5 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 2,448 will support a bull argument, below this level the technical will have a neutral bias.
- Technically unchanged and bullish. The market is consolidating as it is unsure on the next move. If we look at the moving averages, the market is supported, the RSI above 50 with the stochastic oversold also suggest this. However, the MA on the RSI is warning that momentum is weak, whilst the 5-wave pattern higher suggests caution on upside moves. Neutral.

# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	20,439	R1	20,940	RSI above 50	Stochastic overbought
S2	20,265	R2			
S3	19,970	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (54)
- Stochastic is overbought
- Price is below the daily pivot point USD 21,020
- Technically bullish yesterday based on the upside move to USD 21,125 on the 01/09. The MA on the RSI continued to suggest that momentum was supported; however, the RSI was trading below the low made on the (04/04), on paper this is a bullish hidden divergence, as price was showing underlying strength against momentum, warning we move higher. However, this is also an exhaustion pattern, as they often appear just before a correction (I.E. one more move higher), for this reason we had a cautious view on upside moves as they could struggle to hold. We noted that this candle remained open, if we moved higher before the candle closed, then the RSI could close above yesterday's low, meaning the divergence pattern would not be in play. We did move higher before the candle closed, meaning the RSI held above its low. The futures tested the USD 21,125 high but the move failed to hold, resulting in price making a small move lower on the open. Price is above the EMA support band with the RSI above 50, intraday price and momentum are conflicting, as the opening candle closed above the daily pivot point.
- A close on the 4-hour candle below USD 21,020 with the RSI at or below 55 will mean momentum are aligned to the sell side; likewise, a close above this level with the RSI at or above 59.5 will mean it is aligned to the buy side. Downside moves that hold at or above USD 20,439 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI is now neutral with the RSI testing the support level highlighted previously. Intraday Elliott wave analysis is warning that the USD 21,350 resistance remains vulnerable. If we do see the RSI close below support, it will mean that we have a bullish hidden divergence in play, which also suggests that a move higher is likely to be the last within this phase of the cycle.

# Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,187	R1	2,234	RSI above 50	
S2	2,166	R2	2,347		
S3	2,132	R3	2,264		

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (53)
- Stochastic is below 50
- Price is on the daily pivot point USD 2,220
- Technically bullish but in a corrective phase yesterday, the RSI was neutral at 50 with the stochastic in over-sold territory. If the RSI could hold above 50 then momentum warned that we had the potential to move higher, this was supported by the Elliott wave cycle which suggested that the move lower was corrective not bearish. Countering this, the MA on the RSI had started to move lower, implying momentum was weakening. A move below USD 2,187 would be considered as deep, meaning the probability of the futures trading to a new high will have decreased. The RSI held above 50 resulting in the future moving higher; however, we have come under light pressure on the open. Price is above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the sell side, as the opening candle closed below the daily pivot point.
- A close on the 4-hour candle above USD 2,220 with the RSI at or above 57 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 2,187 will support a bull argument, below this level the technical will have a neutral bias.
- The futures and the intraday Elliott wave cycle remain bullish at this point. The futures have held above our key resistance at USD 2,187, warning resistance levels are vulnerable. However, the RSI needs to close above its MA as it suggests that momentum remains weak at this point.