



Base Morning Technical Report

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China

Chinese developer stocks such as Sunac China decline, with analysts saying September's contracted sales showing no solid recovery and may require more stimulus by authorities.

Value of new home sales among the 100 biggest real estate companies fell 29.2% from a year earlier to 404 billion yuan (\$55.4 billion), narrowing from a 33.9% decline in August, according to preliminary data from China Real Estate Information Corp. (Bloomberg).

Cu/Al

Copper declined to the lowest since March as US bond yields rallied, with the focus shifting to the Federal Reserve's monetary policy and China breaking for a national holiday.

The metal fell alongside aluminum and zinc. The selloff in global bonds has gathered momentum with the reprieve in the US government shutdown prompting traders to raise bets on a November interest rate hike. Climbing Treasury yields hurt non-yielding assets such as commodities. (Bloomberg)

Copper Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	8,007	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 (33)
- Price is below the daily pivot point USD 8,148
- Stochastic is oversold
- Bullish based on price yesterday, the upside move on the 29/09 meant that the Elliott wave cycle had a neutral bias, whilst the MA on the RSI continues to suggest that momentum was supported. Countering this was an intraday rejection candle, implying selling resistance at higher levels, warning support levels were vulnerable. Based on momentum, the downside move we were seeing had the potential to be countertrend; however, the resistance candle meant that we had a neutral bias due to the confliction, making USD 8,173 the key support to follow. Upside moves above the high of the rejection candle (USD 8,377) would warn that the USD 8,414 and USD 8,507 resistance level could come under pressure. The futures moved lower in line with the wave cycle with price breaking the USD 8,173 support to trade to a new low. Price is below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 8,148 with the RSI at or above 52 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 8,248 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the futures are now in divergence with the RSI, not a buy signal it is a warning that we have the potential to see a momentum slowdown and will need to be monitored. However, we have a fractal low dating back to May at USD 7,867 which will be a target for market sellers in the near-term which is starting to look like it could be tested and broken.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,293	R1	2,308	RSI above 50	
S2	2,269	R2			
S3	2,251	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (58)
- Stochastic is above 50
- Price is below daily pivot point USD 2,334
- Technically bullish on the previous report, the RSI and price continued to make new highs whilst the MA on the RSI implied that momentum was supported. We maintained our view that downside moves should be considered as countertrend, making USD 2,265 the key support to follow. The futures traded above the USD 2,361 resistance before entering a corrective phase yesterday, we remain above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,334 with the RSI at or above 70 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 2,269 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the move above USD 2,361 yesterday means the recent upside move is greater than 161.8% that of the previous move, supporting a bull argument. We maintain our view that the current move lower looks to be countertrend at this point, making USD 2,269 the key support to follow. If broken, then the pullback will be considered as deep, meaning that the probability of the futures trading to a new high will decrease.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,537	R1	2,599	Stochastic oversold	RSI below 50
S2	2,513	R2	2,614		
S3	2,472	R3	2,633		

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA support band (Black EMA's)
- RSI is below 50 (47)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,617
- Technically bullish, the futures were moving lower yesterday; however, the MA on the RSI continued to suggest that momentum was supported, implying support levels should in theory hold if tested, making USD 2,537 the key support to follow. The futures continued to move lower with price now trading in the Fibonacci support zone. We are trading in 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 2,617 with the RSI at or above 64.5 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 2,537 will support a bull argument, below this level the technical will have a neutral bias.
- Technically we are bullish, the RSI had made a new high suggesting that the current downside move looks to be countertrend; however, the RSI is below its MA which is starting to turn lower, implying momentum is starting to weaken. Key support is at USD 2,537, if broken, then the probability of the futures trading to a new high will decrease.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	18,350	R1	18,800	Stochastic oversold	RSI below 50
S2	18,053	R2			
S3	17,800	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (38)
- Stochastic is oversold
- Price is below the daily pivot point USD 18,843
- Technically bearish yesterday, we noted that downside moves below USD 18,555 would create a positive divergence with the RSI, not a buy signal it did warn that we had the potential to see a momentum slow-down, suggesting caution on downside breakouts. However, intraday Elliott wave analysis continued to suggest that upside moves should be considered as countertrend. The futures moved sideways yesterday, we remain below the EMA resistance band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 18,843 with the RSI at or below 40 will mean price and momentum are aligned to the sell side. Likewise, a close above this level with the RSI at or above 44.5 will mean it is aligned to the buyside. Upside moves that fail at or below USD 19,888 will leave the longer-term technical vulnerable to further tests to the downside, above this level the Elliott wave cycle will have a neutral bias.
- Unchanged on the technical, a new low will create a positive divergence with the RSI, suggesting caution on downside breakouts. Elliott wave analysis continues to suggest that upside moves should be considered as countertrend. If we break to the downside before moving higher, then upside moves will still potentially be countertrend.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,134.5	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 (34)
- Stochastic is oversold
- Price is below daily pivot point USD 2,155
- Unchanged on the technical yesterday, we remained bullish with a neutral bias, the MA on the RSI suggested that momentum remained supported, making USD 2,164 the key support level to follow. If broken, the USD 2,147 and USD 2,132 levels could come under pressure. The futures traded below the USD 2,164 support, resulting in price trading to a new low, the technical is now bearish. We remain below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,155 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 2,179 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- The move below USD 2,132 the morning (low USD 2,131), means that the technical is now bearish based on price. We do have a minor divergence on the 4-hour RSI; however, on the lower timeframes the divergences are now failing, warning support levels remain vulnerable.