



Base Morning Technical Report

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U.S

Doubleline Capital founder Jeffrey Gundlach sees a recession alert if the US unemployment rate ticks up just a couple of tenths, he says in a post on X, formerly known as Twitter.

The US Treasury yield curve is de-inverting very rapidly and should put everyone on recession warning, not just recession watch, he says

NOTE: Gundlach Says Bond Rally Capped By 'Rising Interest-Rate Burden'

NOTE: Deep Recession to Force Full-Point Fed Cut, DoubleLine Warns (Bloomberg).

Cu

Copper fell for a third day on dollar strength and expectations for a higher-for-longer interest-rate environment.

The metal, an economic bellwether, traded below the \$8,000 a ton threshold on the London Metal Exchange, while aluminum was also lower. US job openings unexpectedly increased in August, bolstering the case for the Federal Reserve to hike rates again.

A gauge of the dollar extended gains to a 10-month high, making commodities like copper that are priced in the US currency more expensive for most buyers.

Copper inventories at the LME have been steadily expanding. Above-ground stockpiles are still at historically low levels, but the increase is a sign that supply is now starting to run ahead of demand in the spot market. China, the biggest commodities buyer, is grappling with sluggish consumer spending and a years-long property crisis that have crimped demand for industrial metals. (Bloomberg)

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	7,917	R1	7,974	Stochastic oversold	RSI below 50
S2	7,867	R2			
S3	7,817	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (34)
- Price is below the daily pivot point USD 8,014
- Stochastic is oversold
- Technically bearish yesterday, the futures were in divergence with the RSI, not a buy signal it warned that we had the potential to see a momentum slowdown which needed to be monitored. However, we had a fractal low dating back to May at USD 7,867 which would be a target for market sellers in the near-term which was starting to look like it could be tested and broken. The futures traded at a low of USD 7,56.5 before finding light bid support; however, we are selling lower this morning with price just above yesterday's low. We remain below all key moving averages with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 8,014 with the RSI at or above 44 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 8,234 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, we continue to have a minor divergence in play, meaning we remain cautious on downside breakouts. However, we have a long-term fractal support at USD 7,867 and a potential downside target at USD 7,817. If the divergence fails on the lower time frame charts (and 4-hour), then there is a chance that we could see wave extension to the downside, meaning upside moves would be considered as countertrend.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,293	R1	2,279	RSI above 50	
S2	2,269	R2			
S3	2,251	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA support band (Black EMA's)
- RSI is above 50 (50)
- Stochastic is oversold
- Price is below daily pivot point USD 2,300
- Technically bullish yesterday, the move above USD 2,361 on the 02/10 meant that the recent upside move was greater than 161.8% of the previous move, supporting a bull argument. We maintained our view that the current move lower looked to be countertrend, making USD 2,269 the key support to follow. If broken, then the pullback would be considered as deep, meaning that the probability of the futures trading to a new high would decrease. The futures continued to move lower, but we remain above the USD 2,269 support at this point. Price is now between the EMA support band with the RSI neutral at 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,300 with the RSI at or above 63.5 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. Likewise, upside moves that fail at or below 2,336 will leave the futures vulnerable to further tests to the downside, above this level the USD 2,367 fractal high could come under pressure.
- We remain bullish but in a corrective phase, intraday Elliott wave analysis suggests that the move lower is potentially countertrend. Momentum is conflicting as the RSI is at 50 with the stochastic in oversold territory, providing the RSI can hold above 50 we will be vulnerable to a move higher, below 50 the stochastic is considered as less relevant. Countering this, the MA on the RSI suggests that momentum is weak, warning the RSI could move below 50. Key support is at USD 2,269, market bulls will want to defend this level, if broken, then the probability of the futures trading to a new high will start to decrease. With Zinc breaking key support yesterday alongside weak momentum today the USD 2,269 level is starting to look vulnerable.

Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,504	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (42)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,536
- Technically bullish yesterday, the RSI had made a new high suggesting that the current downside move looked to be countertrend; however, the RSI was below its MA which was starting to turn lower, implying momentum was 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. The futures continued to move lower on the back of the weak momentum, resulting in the USD 2,537 fractal support being broken, the probability of the futures trading to a new high has now decreased. 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 2,536 with the RSI at or above 55 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 2,614 will leave the futures vulnerable to further tests to the downside, above this level the technical will target the USD 2,675 fractal high.
- Based on price, we are technically bullish with a neutral bias, the MA on the RSI continues to suggest that momentum is weak at this point. The depth of the pullback alongside the weak momentum would suggest that the USD 2,472.5 fractal support is starting to look vulnerable.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	18,350	R1	18,715	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 (41)
- Stochastic is oversold
- Price is below the daily pivot point USD 18,770
- Unchanged on the technical yesterday, we noted that a new low would create a positive divergence with the RSI, suggesting caution on downside breakouts. Elliott wave analysis continued to suggest that upside moves should be considered as countertrend. If we did break to the downside before moving higher, then upside moves will still potentially be countertrend. The futures are slightly lower, but we remain above the USD 18,555 fractal low. 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 18,770 with the RSI at or above 43 will mean price and momentum are 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 again today, a new low will create a positive divergence with the RSI, suggesting caution on downside breakouts with upside moves considered as countertrend. Like yesterday, a new low before a move higher will mean that we will maintain our view that upside moves still have the potential to be countertrend.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,107	R1	2,126.5	Stochastic oversold	RSI below 50
S2	2,081	R2			
S3	2,048	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 on the daily pivot point USD 2,127
- The move below USD 2,132 yesterday morning (low USD 2,131), meant that the technical was now bearish based on price. We did have a minor divergence on the 4-hour RSI; however, on the lower timeframes the divergences were failing, warning support levels remained vulnerable. The futures did move lower meaning the 4-hour divergence has also failed. Price is below the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the sell side, as the opening candle closed below the pivot level.
- A close on the 4-hour candle above USD 2,127 with the RSI at or above 40.5 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 2,172 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 have found light bid support this morning. However, our intraday Elliott wave analysis would suggest that the current move higher is potentially countertrend, making USD 2,172 the key resistance to follow. If broken, then the probability of the futures trading to a new low will start to decrease.

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