



Base Morning Technical Report

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Metals

Copper climbed along with most other base metals as investors cheered the prospect that US interest rates may have peaked.

Industrial metals on the London Metal Exchange rose on signs that the Federal Reserve may be done with its most aggressive tightening cycle in four decades. A softer dollar has boosted the allure of commodities priced in the currency.

Copper has rebounded recently after a price pullback stimulated purchases and Beijing's rare mid-year budget adjustment boosted sentiment. Still, gains have been limited by concerns over the tepid recovery of China's economy. (Bloomberg)

Zn

Zinc futures rose as much as 7% before paring those gains after Trafigura Group's Nyrstar announced it would halt two mines in Tennessee due to a slump in prices.

Nyrstar said in a statement late Tuesday that the Gordonsville and Cumberland mines would be "temporarily pausing production" on Nov. 30. The company, which cited falling zinc prices and higher production costs, said it would lay off some employees. (Bloomberg)

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,095	R1 8,186.5	8,138.5	RSI above 50	
S2	8,052	R2 8,199			
S3	8,017	R3 8,265			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (54)
- Price is above the daily pivot point USD 8,124
- Stochastic is below 50
- Technically bullish yesterday, the recent high in the RSI suggested that downside moves had the potential to be countertrend. Price was trading in the daily EMA resistance band having produced a small rejection candle on the 30/10 and a Doji on the 31/10, implying that there was some uncertainty in the market. Upside moves above USD 8,166.5 would warn that the USD 8,231 fractal resistance could be tested and broken; likewise, a close below USD 8,083 on the daily chart would be below the low of the recent high candle, warning sell side momentum was increasing. As noted previously, a move below the USD 8,052 level would indicate that the probability of the futures trading to a new high will have started to decrease. The intraday technical was bullish but we did have a note of caution, as price was trading in the daily EMA resistance band. The futures traded above the USD 8,166.5 high but the move failed to hold. Price has opened with light bid support, but we remain below yesterday's high. The futures 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 8,124 with the RSI at or below 53 will mean it is aligned to the sell side. Downside moves that hold at or above USD 8,052 will support a bull argument, below this level the technical will have a neutral bias.
- Technically we remain bullish with intraday Elliott wave analysis warning that the USD 8,231 fractal resistance is vulnerable, and in theory could be tested and broken. However, we remain cautious on upside moves at this point, as the daily technical remains in the EMA resistance band. Higher timeframe sellers sold into intraday buyers yesterday, resulting in the upside move failing to hold. For this reason, we do not consider the futures a technical buy at these levels.

Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,241	RSI above 50	
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (55)
- Stochastic is oversold
- Price is below/on the daily pivot point USD 2,242
- We remained technically bullish yesterday with downside moves looking like they should still be considered as countertrend. The RSI was below its MA, but the average continued to suggest that momentum was supported. The futures tested but held the USD 2,237 level with price finding light bid support on the open. Price is above all key moving averages 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 above USD 2,242 with the RSI at or above 62.5 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. Downside moves that hold at or above USD 2,214 will support a bull argument, below this level the technical will have a neutral bias.
- Technically we remain bullish but in a corrective phase. The MA on the RSI is warning that buy side momentum is weakening, making USD 2,214 the key support to follow. However, the RSI high on the 30/10 is implying that the corrective move lower is potentially countertrend, suggesting caution on downside moves at this point.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,499	R1	2,515	RSI above 50	
S2	2,467	R2			
S3	2,442	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (61)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,498
- Technically bearish yesterday, the futures had rejected the USD 2,489 resistance with price trading below the USD 2,427.5 fractal support, suggesting the USD 2,384 fractal low has the potential to be tested and broken. (Zinc Jumps as Nyrstar Announces US Mine Closures on Low Prices * Bloomberg). We moved a lot higher; price is above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 2,498 with the RSI at or below 50.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,467 will support a bull argument, below this level the technical will have a neutral bias.
- Technically we are bullish, but this is not a technical move. In theory this upside move is countertrend, in reality, the technical is not in play at this point.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	17,933	R1	18,177	Stochastic oversold	RSI below 50
S2	17,816	R2	18,267		
S3	17,698	R3	18,389		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (43)
- Stochastic is oversold
- Price is below the daily pivot point USD 18,008
- Technically bearish yesterday, despite the move lower we continued to maintain a cautious view on downside moves, as a new low below USD 17,925 would create further positive divergences with the RSI, not a buy signal, it warned that we had the potential to see a momentum slowdown which needed to be monitored. The futures have traded 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 18,008 with the RSI at or above 46 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 18,389 will leave the futures vulnerable to further tests to the downside, only above USD 18,760 is the intraday technical bullish.
- Technically bearish, the MA on the RSI continues to suggest that momentum is weak. However, the futures now have a positive divergence in play, not a buy signal it does warn that we could see a momentum slowdown. For this reason, we maintain our view that the futures are not considered a technical sell at these levels.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,119	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (54)
- Stochastic is oversold
- Price is above the daily pivot point USD 2,100
- Technically bearish yesterday, the rejection of the EMA resistance band two (now 3) days ago, had been followed by a move lower yesterday, warning support levels were vulnerable. The futures traded to a low of USD 2,075.5, meaning the USD 2,074.5 support held. Price moved higher resulting in the futures trading 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 2,100 with the RSI at or below 48.5 will mean price and momentum are aligned to the sell side.
- The futures remain bearish with a neutral bias, the EMA band is flat, indicating a lack of trend in the market. In theory, based on the intraday Elliott wave cycle, upside moves are considered as countertrend at this point; however, the failure to break the USD 2,074.5 level is warning that there is buy side support in the market. If the USD 2,074.5 level is broken, then the technical will be back in bearish territory.