



Base Morning Technical Report

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China

CHINA DRAFTS WHITE LIST OF 50 DEVELOPERS FOR FINANCING BOOST (Bloomberg)

Copper

Copper added to its biggest weekly gain since July as industrial commodities benefit from growing optimism for an end to the Federal Reserve's rate hikes.

Investors have been adding to bets that the Fed's tightening cycle has ended, after a series of US data points showed the world's biggest economy is slowing. Higher borrowing costs and a relatively strong dollar have been a key headwind for metals in the past two years. (Bloomberg)

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,268	R1	8,312	RSI above 50	Stochastic overbought
S2	8,238	R2			
S3	8,183	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI is above 50 (59)
- Price is above the daily pivot point USD 8,268
- Stochastic is overbought
- As noted previously, the futures had produced 3-peaks in quick succession, this was an exhaustion pattern that warned that support levels are now vulnerable. For this reason, the futures were no longer considered a technical buy. The downside move traded to a low of USD 8,183.5, meaning key support at USD 8,128 held, resulting in the futures moving to new highs. 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 8,268 with the RSI at or below 55 will mean price and momentum are aligned to the sell side. downside moves that hold at or above USD 8,183 will support a bull argument, below this level the technical will have a neutral bias.
- We did not have the futures as a technical buy in the last report, as the upside move highlighted in the red box had produced a lower timeframe wave cycle that looked to have completed, meaning support levels were vulnerable. Having held a key downside support and moved to a new high, it means that we are either seeing some form of wave extension; or we have started a new lower timeframe wave cycle. If it is wave extension, then we remain cautious on upside moves, but if it is a new lower timeframe bull cycle, then downside moves should be considered as countertrend. This cycle remains very unclear at this point, meaning we are at an inflection point. The MA on the RSI is flat, implying momentum is neutral, whilst we still have a longer-term divergence in play. We are bullish but have a neutral view due to the lack of clarity. If we do move below USD 8,238, it will warn that the probability of the futures trading to a new high has started to decrease.

Aluminium Morning Technical (4-hour)



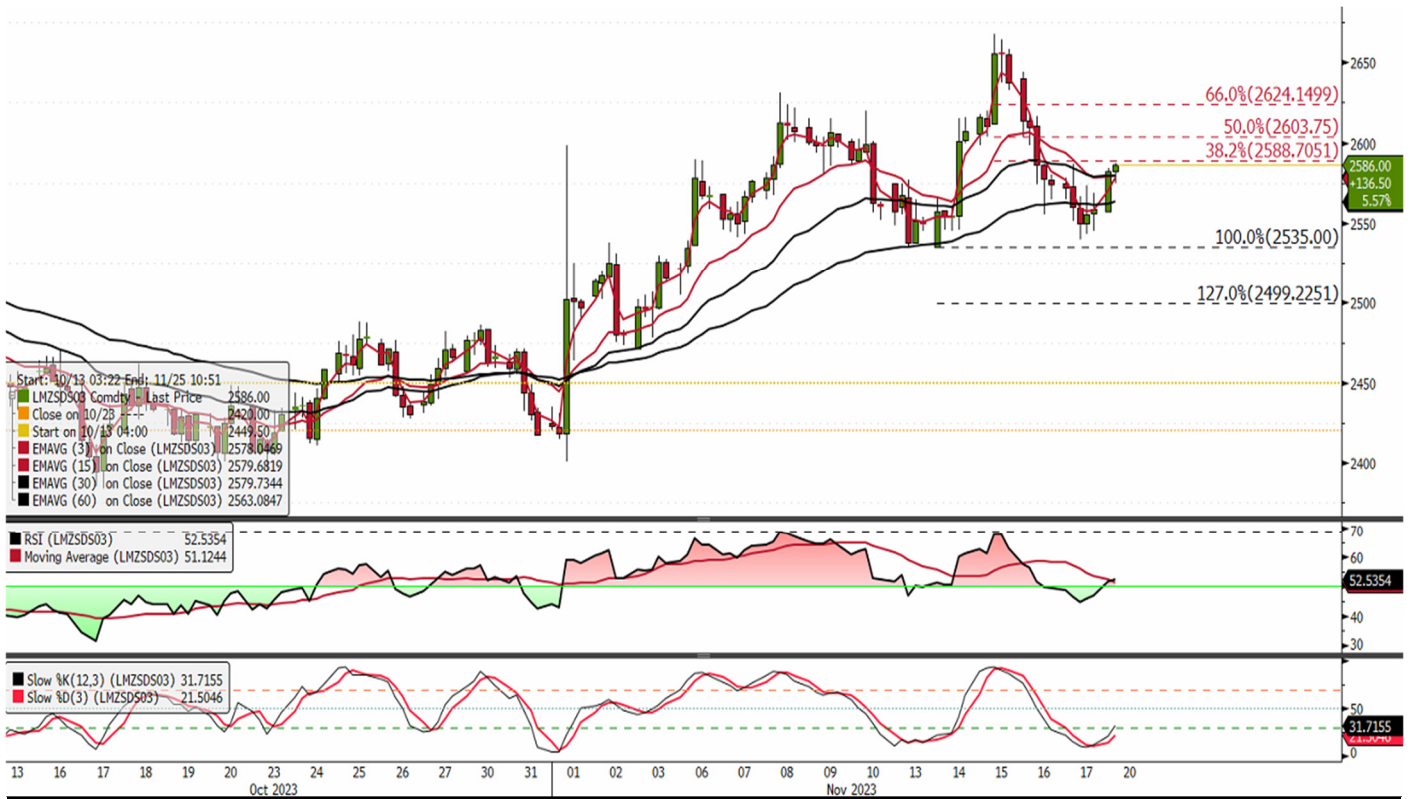
Support	Resistance	Current Price	Bull	Bear
S1	R1	2,235.5	RSI above 50	
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA Resistance band (Black EMA's)
- RSI is above 50 (52)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,210
- Technically bearish on the last report, the RSI was below its MA which had started to move lower, warning momentum was weakening. This warned that USD 2,203 fractal low was looking like it would be tested and broken. Upside moves were still considered as countertrend at that point. The futures traded to a low of USD 2,196 before becoming divergent with the RSI and moving higher. Price is now 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 2,210 with the RSI at or below 43 will mean price and momentum are aligned to the sell side. Upside moves that fail at USD 2,250 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 moving higher on the back of a positive divergence with the RSI, making USD 2,250 the key resistance to follow. Above this level the probability of the futures trading to a new high will start to decrease; if rejected, it will warn that there is potentially a larger corrective cycle still in play.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,535	R1	2,586	RSI above 50	
S2	2,499	R2			
S3	2,488	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (52)
- Stochastic is oversold
- Price is above the daily pivot point USD 2,562
- Technically bullish on Friday, the move below the USD 2,580 support meant that the probability of the futures trading to a new high had started to decrease. The MA on the RSI implied that momentum was weak, suggesting the USD 2,535 fractal low could be tested and broken. The futures traded to a low of USD 2,540 before finding light bid support on the Asian open. 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 2,562 with the RSI at or above 53.5 will mean price and momentum are aligned to the buy side. Likewise, a close below this level with the RSI at or below 49 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,624 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 2,667.5 fractal high.
- Technically bullish, we now have a neutral bias due to the strength of the downside move, making USD 2,624 the key resistance to follow. The MA on the RSI continues to warn that momentum is weak, meaning support levels remain vulnerable at this point.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	16,841	R1	17,070	Stochastic oversold	RSI below 50
S2	16,610	R2	17,114		
S3	16,378	R3	17,328		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (37)
- Stochastic is oversold
- Price is below the daily pivot point USD 17,070
- Technically bearish in the last report with the futures trading to new lows, we had a potential downside target at USD 16,384. However, we were in divergence with the RSI, not a buy signal, it warned that we could see a momentum slowdown which needed to be monitored. The futures traded to a low of USD 16,820 before finding light bid support. 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 17,070 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 above USD 17,328 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- We remain technically bearish with a potential downside target at USD 16,378. Price is still in divergence with the RSI, warning we have the potential to see a momentum slowdown, meaning we remain a cautious bear at this point.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,303.5	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 (70)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,284
- Technically bullish last week, the move above USD 2,151 level meant that the lower timeframe wave suggested that we had a potential upside target at USD 2,336. However, the divergence on the 246-minute Elliott wave cycle had failed, meaning downside moves should be considered as countertrend. The futures continued to move higher with price testing the base of the Fibonacci resistance zone. Price is above all key moving averages supported by the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 2,284 with the RSI at or below 66.5 will mean price and momentum are aligned to the sell side; likewise, a close above this level with the RSI at or above 71 will mean it is aligned to the buyside. Downside moves that hold at or above USD 2,231 will support a bull argument, below this level the technical will have a neutral bias.
- We remain technically bullish; price and momentum are conflicting whilst we have a negative divergence on the lower timeframe, warning that buyside momentum is slowing, leaving the futures vulnerable to a corrective phase. However, the longer-term Elliott wave cycle would suggest that downside moves should still be considered as countertrend.