



Base Morning Technical Report

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China

Caixin China Nov. Manufacturing PMI 50.7; Est. 49.6 (Bloomberg)

Cu

Copper advanced to the highest level in 11 weeks on concerns over the looming shutdown of a large mine in Panama and amid expectations of a widening ore supply deficit in 2024.

The Panama government has said it will shut First Quantum Minerals Ltd.'s Cobre operation, which produces about 1.5% of the world's supply. The mine already suspended output last month as a blockade of boats restricted key supplies amid mass protests from environmentalists and labor unions. (Bloomberg)

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,451	R1	8,469	RSI above 50	Stochastic overbought
S2	8,422	R2			
S3	8,397	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI is above 50 (57)
- Price is above the daily pivot point USD 8,451
- Stochastic is overbought
- We remained technically bullish yesterday having tested the downside previously. Upside moves above USD 8,500 would create a new high, but the futures would remain in divergence, we continued to have a potential upside target at USD 8,614. Like yesterday, a move below USD 8,397 would mean that the probability of the futures trading to a new high will start to decrease. The futures have had a small test to the upside, but the move is struggling to hold. 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 above USD 8,451 with the RSI at or above 60.5 will mean price and momentum are aligned to the buy side. Likewise, a close below this level with the RSI at or below 56 will mean it is aligned to the sell side. Downside moves that hold at or above USD 8,397 will support a bull argument, below this level the technical will have a neutral bias.
- Unchanged on the technical, we have made a new high, but price is starting to consolidate. Intraday Elliott wave analysis does suggest that we have a potential upside target at USD 8,619; however, we remain conscious of the negative divergence in play, as it is warning that we could see a momentum slowdown. Key support remains unchanged, a move below USD 8,397 will mean that the probability of the futures trading to a new high will start to decrease.

Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,195.5	Stochastic oversold	RSI is below 50
S2	R2			
S3	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 2,200
- Unchanged on the technical yesterday with price remaining in bearish territory. The upside rejection on the open previously, warned that support levels were vulnerable; however, the MA on the RSI was suggesting that momentum remained neutral. A close on the 4-hour candle above USD 2,231.5 would be above the high of the last dominant bear candle, warning that resistance levels could be vulnerable. the futures have traded to a new low with price remaining 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 2,200 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 2,237 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the MA on the RSI is suggesting that momentum is starting to weaken whilst intraday Elliott wave analysis is suggesting that upside moves have the potential to be countertrend. However, if we do trade above the USD 2,231.5 – 2.237 fractal high/Fibonacci resistance, then the probability of the wave failing will increase.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,456	R1	2,482	Stochastic oversold	RSI below 50
S2	2,424	R2	2,504		
S3	2,383	R3	2,517		

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 the daily pivot point USD 2,482
- The downside move previously meant the technical was again bearish. The MA on the RSI warned that momentum was weak, meaning the USD 2,477 fractal support was vulnerable. Upside moves above USD 2,555.5 will warn that resistance level could be tested and broken. The futures continue to move lower with price remaining 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 2,482 with the RSI at or above 42.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,535 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the Ma on the RSI continues to warn that momentum is weak whilst the RSI is making new lows, suggesting upside moves have the potential to be countertrend at this point. A move above USD 2,535 will be considered as deep into the last bear wave, meaning that the probability of the futures trading to a new low will start to decrease.

Nickel Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	16,635	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 (46)
- Stochastic is oversold
- Price is below the daily pivot point USD 16,705
- Technically bearish with a neutral bias yesterday, the RSI was below its MA, but the MA warned that momentum was still supported. The new high in the RSI continued to suggest that downside moves look like they would be counter-trend in the near-term, making USD 16,326 the key near-term support to follow. The downside move since yesterday is looking like we could be forming a flag pattern, leaving the futures vulnerable to an upside breakout, if we start seeing bullish closes. The futures have not seen a bullish close with price trading to a low of USD 16,435, 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 16,705 with the RSI at or above 56 will mean price and momentum are aligned to the buy side. Key resistance in terms of the Elliott wave cycle is at USD 17,694, we remain bearish below this level and neutral above in the near-term. However, we should note that this is an extended wave 3 with multiple timeframes in play (the time period in terms of Elliott wave cycle is 720 min candle for the higher timeframe with key resistance at USD 19,463). In theory USD 17,964 is a key level on the 205-minute cycle and should hold, but we remain conscious of the larger cycle in play; as a break above this level, although not ideal which will ask questions on the wave cycle, it does not change the longer-term wave footprint. Downside move that hold at or above USD 16,326 will support a near-term bull argument, below this level the USD 15,840 fractal low will start to look vulnerable.
- Technically bearish with a neutral bias, we are now looking less like a bullish flag pattern, the MA on the RSI is now flat, implying momentum is neutral. The RSI high on the 29/11 is warning that we still have the potential for one more test to the upside. However, if we do trade below USD 16,326 the technical will be back in bearish territory, implying caution on upside moves.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,126	Stochastic oversold	RSI is below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (31)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,133
- Technically bearish yesterday, the MA on the RSI was starting to flatten, warning sell side momentum was showing signs that it was slowing down. However, due to the RSI making new lows, we maintained our view that upside moves look like they could be countertrend at this point. We have seen a very small move lower, indicating sell side momentum is slowing. Price is still 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 2,133 with the RSI at or above 36 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 2,226 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the MA on the RSI continues to flatten, implying we are seeing a slowdown in sell side momentum. However, as previously noted, due to the RSI making new lows, we maintain our view that upside moves look like they will be considered as countertrend at this point.