



# Base Morning Technical Report

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## China

Chinese banks held their benchmark lending rates after a similar move by the central bank, bolstering expectations that further monetary easing will take place in early 2024.

The nation's commercial lenders stood pat on their prime lending rates — including a five-year rate used as a reference for mortgages — on Wednesday. That came after the People's Bank of China kept its so-called medium-term lending facility unchanged last week, following a cut in August. (Bloomberg)

## Zn

Zinc inventories in warehouses tracked by the London Metal Exchange jumped by 23,450 tons to 230,600 tons, according to data from the bourse.

Increase driven by deliveries into Singapore and Malaysia's Port Klang

NOTE: Zinc inventories more than doubled in November, easing spot supply constraints seen for much of the past two years

LME zinc prices gains 0.1% at \$2,585/ton as of 9:17am local time, paring earlier gains (Bloomberg).

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,555	R1	8,605	RSI above 50	Stochastic overbought
S2	8,561	R2			
S3	8,540	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI is above 50 (61)
- Price is above the daily pivot point USD 8,555
- Stochastic is overbought
- We remain bearish with a neutral bias yesterday. The futures were testing but holding above the EMA support band. Momentum was conflicting as the MA on the RSI suggested it was weak; however, the RSI was above 50 with the stochastic in oversold territory. If the RSI could hold above 50, then we were vulnerable to a move higher. Key support was unchanged, a move below USD 8,376 would warn that the probability of the futures trading to a new high would start to decrease. We noted that the upside move in the RSI on the 13/11 broke above the RSI resistance that formed on the 08/11, warning that downside moves had the potential to be countertrend. If price and momentum became aligned to the buyside, then resistance levels could come under pressure. The futures moved higher, price and momentum became aligned to the buyside, resulting in a move above the USD 8,608 fractal resistance. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 8,555 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 8,511 will support a bull argument, below this level the technical will have a neutral bias.
- The intraday Elliott wave cycle is bearish with a neutral bias; however, the upside move consists of 5-waves, meaning it is bullish impulse, suggesting that the USD 8,640 level will be tested and broken. We should note that there is a negative divergence in play that needs to be monitored, as it is warning that we have the potential to see a momentum slowdown.

# Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,268	R1	2,278	RSI above 50	Stochastic overbought
S2	2,218	R2	2,297		
S3	2,197	R3	2,316		

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (65)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,268
- Technically bullish yesterday, the futures had opened below the trend support line, warning that we could be about to enter a corrective phase, making USD 2,169 the key support to follow. A move below this level would warn that the probability of the futures trading to a new high had started to decrease. The MA on the RSI had started to flatten a little, warning buy-side momentum was seeing a slowdown. However, with price and the RSI making new highs, it warned that downside moves had the potential to be countertrend. The futures are consolidating with the RSI still above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,268 with the RSI at or above 70 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 2,169 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the RSI is below its MA, which is turning lower, implying momentum is showing signs of weakness. However, the recent high on the RSI continues to warn that downside moves look like they could be countertrend. If we do trade below USD 2,169 it will warn that the probability of the futures trading to a new high will start to decrease.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,561	R1	2,617	RSI above 50	Stochastic overbought
S2	2,529	R2	2,643		
S3	2,505	R3	2,677		

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (72)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,561
- Technically bearish with a neutral bias yesterday, the current upside wave was 161.8% greater in length than the previous wave, supported by the RSI making new highs. This would suggest that downside moves now have the potential to be countertrend, as the upside move, although in bearish territory looked like it could be bullish impulse; this warned that the bearish Elliott wave cycle could fail. However, we had broken trend support on the Asian open with the RSI crossing below its MA, indicating we could be in the early stages of a corrective phase, making USD 2,456 the key support to follow. A move below this level would warn that the probability of the futures trading to a new high had started to decrease. Having broken trend support, the corrective phase did not materialize as price continued to move higher, meaning that bearish wave cycle has failed. We are 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 2,561 with the RSI at or below 65 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,472 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, intraday Elliott wave analysis is suggesting downside moves should still be considered as countertrend at this point.

# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	16,593	R1	16,845	RSI above 50	
S2	16,146	R2			
S3	16,095	R3			

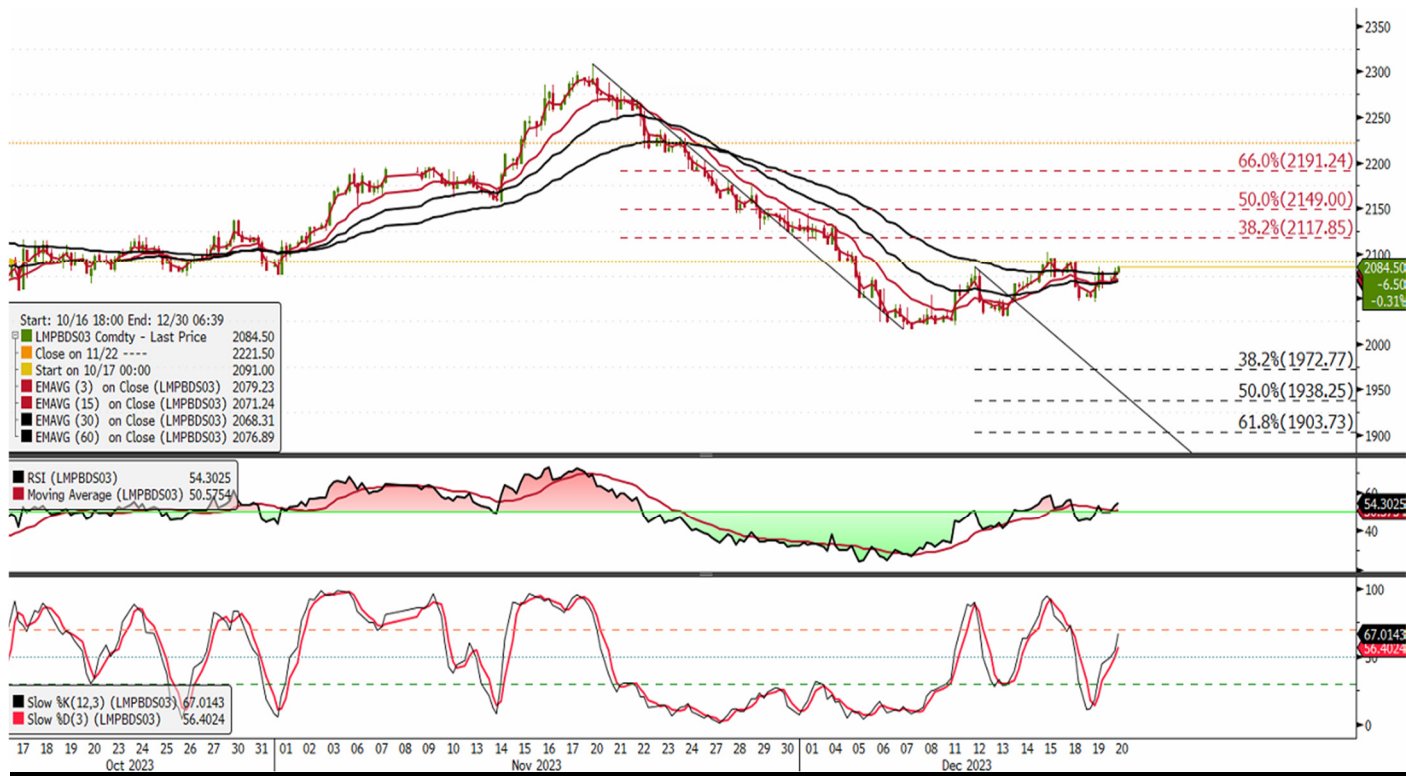
## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (54)
- Stochastic is below
- Price is above the daily pivot point USD 16,593
- Technically bearish with a neutral bias yesterday, as the futures remained within the symmetrical triangle. We had rejected the daily EMA resistance band with the MA on the RSI now warning that momentum was weakening. A close on the 4-hour candle that held below the trend support (USD 16,425) will warn that the USD 16,146 and USD 15,840 support levels could come under pressure. The futures held trend support with price now testing the trend resistance. Price is above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 16,593 with the RSI at or below 47.5 will mean price and momentum are aligned to the sell side. Very repetitive but....The next piece of dialogue remains unchanged again. 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 the 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 and will ask questions on the wave cycle, it does not change the longer-term wave footprint.
- We remain in the symmetrical triangle, meaning the technical is neutral. Directional bias will come from a breakout that holds outside of the pattern. We are testing the resistance line, meaning the break could be to the upside, but we remain cautious on moves higher due to the daily resistance band.



# Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,084	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 (54)
- Stochastic is oversold
- Price is above the daily pivot point USD 2,066
- Technically bearish yesterday, the MA on the RSI implied that momentum was neutral; however, the RSI was below its average, warning it could be transitioning to the sell side. Based on the intraday Elliott wave cycle, we maintained our view that upside moves look like they will be countertrend at this point. The futures failed to get downside follow through yesterday with price now back above the EMA resistance band. The RSI is above 50 with price and momentum aligned to the buyside.
- A close on the 4-hour candle below USD 2,066 with the RSI at or below 48.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,191 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Unchanged, we remain bearish with upside moves considered as countertrend, the MA on the RSI is implying that momentum is still neutral; however, price and momentum are aligned to the buyside, suggesting we could move higher in the near-term.