



Base Morning Technical Report

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China

The Chinese onshore yuan extended declines to its lowest level in three weeks on the back of overnight dollar strength. The PBOC continued to withdraw liquidity from the financial system. (Bloomberg)

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,491	R1	8,551	Stochastic oversold	RSI below 50
S2	8,419	R2	8,589		
S3	8,363	R3	8,613		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- The RSI is below 50 (44)
- Price is below the daily pivot point USD 8,551
- Stochastic is oversold
- A downside move in the futures on the back of a strong US Dollar yesterday resulted in the copper futures breaking fractal support, meaning the intraday technical is now bearish. 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 8,551 with the RSI at or above 51.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 8,646 will leave the futures vulnerable further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the MA on the RSI is implying that momentum remains weak at this point. The futures are above the daily EMA support band; however, the upside move yesterday rejected the weekly pivot point on the open (USD 8,604), resulting in price moving lower, implying support levels could come under further pressure. If the corrective move lower holds above the USD 8,419 level it will warn that there is potentially a larger, bullish Elliott wave cycle in play. If broken, then the probability of a larger bull cycle will start to decrease. Other areas of interest (support) will be USD 8,377, as this is the base of the daily EMA support, and USD 8,417 as it is the intraday 200-period EMA. We do have a support zone below us, but with the RSI making new lows it would suggest that upside moves look like they could be countertrend at this point.

Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,317	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA support band (Black EMA's)
- RSI is below 50 (49)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,346
- Technically bullish on the previous report (last year), the RSI was below its MA, which was turning lower, implying momentum was showing signs of weakness. However, the recent high on the RSI continued to warn that downside moves look like they could be countertrend. The futures traded to a low of USD 2,222 before trading to a high of USD 2,400, we have since entered a corrective phase. Price is in the EMA support band with the RSI near neutral at 49, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,346 with the RSI at or above 65.5 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 2,282 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish but in a corrective phase, the MA on the RSI continues to warn that momentum is weak at this point. However, our intraday Elliott wave analysis would suggest that the corrective move lower looks to be countertrend; if the RSI moves above and holds above 50, then momentum will be vulnerable to a move higher, as the stochastic is oversold.

Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,615	RSI above 50	
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA support band (Black EMA's)
- RSI is above 50 (52)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,619
- Technically bullish on the previous report, intraday Elliott wave analysis suggested that downside moves should still be considered as countertrend. The futures produced a small two-day pullback before trading to a high of USD 2,675, we have since entered into a corrective phase. Price is between the EMA support band with the RSI still above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,619 with the RSI at or above 63 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 2,584 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish but in a corrective phase, we have a few conflicts on the technical. Price is currently holding above key support with the RSI is above 50 and the stochastic in oversold territory, if the RSI holds above 50 then momentum is warning we could see a move higher. However, the MA on the RSI would imply momentum weakness, suggesting we need to see price and momentum become aligned to the buyside to support an upside move. We are bullish but we have an intraday 5-wave pattern higher that completed with a negative divergence, we can also see that the RSI has broken support and made a new low. For this reason, we are cautious on upside moves at this point, as they have the potential to be countertrend.

Nickel Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	16,620	RSI above 50	
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (48)
- Stochastic is below 50
- Price is on/below the daily pivot point USD 16,631
- We remained in the symmetrical triangle on the last report, meaning the technical was neutral. We noted that directional bias will come from a breakout that held outside of the pattern. We were testing the resistance line, meaning the break could be to the upside, but we remained cautious on moves higher due to the daily resistance band. The futures remain rangebound having failed to hold the upside breakout, the RSI is below 50 and the EMA support band, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 16,631 with the RSI at or below 45 will mean price and momentum are aligned to the sell side; likewise, a close above this level with the RSI at or above 49.8 will mean it is aligned to the buy side.
- Technically we remain neutral, we have left the symmetrical triangle on the chart for today to illustrate that the futures have traded through the Apex of the triangle, meaning the pattern has now failed. The EMA's are flat, indicating a neutral market, this also means they are unlikely to be respected at this point. We do however remain below the daily EMA resistance band, suggesting caution on upside moves.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,064		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 (47)
- Stochastic is below 50
- Price is above the daily pivot point USD 2,062
- Unchanged on the last report, we remained bearish with upside moves considered as countertrend, the MA on the RSI implied that momentum was still neutral; however, price and momentum were aligned to the buy side, suggesting we could move higher in the near-term. The futures have moved sideways during the seasonal holiday. Price is below the EMA resistance band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,062 with the RSI at or above 50 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. 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 again, we remain bearish with upside moves considered as countertrend based on our intraday Elliott wave analysis. However, the EMA's are flat with price and momentum conflicting, implying price action is currently neutral.