



Base Morning Technical Report

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

Cu

Top-20 brokers on the Shanghai Futures Exchange registered aggregate net-short positions of 2,577 copper contracts across front five months today, according to data on the exchange's website. Net-long tin positions amounted to 236 contracts.

Brokers had 1,720 net-short positions in the most active March copper contract (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,368	R1	8,405	Stochastic oversold	RSI below 50
S2	8,326	R2	8,491		
S3	8,273	R3	8,532		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- The RSI below 50 (40)
- Price is below the daily pivot point USD 8,405
- Stochastic is oversold
- Technically bearish yesterday. The MA on the RSI continued to warn that momentum was weak, whilst the RSI low indicated that upside moves had the potential to be countertrend. Key resistance was at USD 8,616, above this level the probability of the futures trading to a new low would start to decrease. We noted that the 1-hour technical was in divergence with the RSI, not a buy signal, it warned that we could see a momentum slowdown which needed to be monitored, as it warned that we could see an intraday move higher. The futures traded to a low of USD 8,357, resulting in the 1-hour divergence failing. We have found light bid support but remain 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 8,405 with the RSI at or above 46 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 8,587 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 of momentum weakness; however, the average has started to flatten a little, indicating there has been some slowdown in sell side momentum. As previously noted, we maintain our view that upside moves should be considered as countertrend at this point.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,152.5	R1	2,213.50	Stochastic is oversold	RSI below 50
S2	2,145	R2			
S3	2,051	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (42)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,214
- Technically bearish yesterday, the futures were below the intraday 200-period MA, but we continued to trade near the average, meaning the break was not yet definitive. If we closed above and held above the average, then we had the potential to see an intraday move higher; likewise, if we remained below it, then support levels would start to look vulnerable. The MA on the RSI continued to suggest that momentum was weak at this point, whilst the RSI was making new lows, implying resistance levels could hold if tested. We had an element of caution at these levels, as we had the daily 200-period MA at USD 2,227 which was a benchmark average on the daily chart. If we held above this level, then we could see price close back above the intraday average. We continued to move lower with price closing below the daily 200-period MA. We are now 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 2,214 with the RSI at or above 47 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 2,316 will leave the futures vulnerable to further test to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the MA on the RSI is warning of momentum weakness still, but the RSI is now looking to test the average. If it closes above and holds above it, then it will warn that sell side momentum is slowing. However, based on the RSI breaking support and making new lows, we maintain our view that upside moves look like they could be countertrend at this point. The daily 200-period MA is now at USD 2,226, if we close above it and hold above it, then it will warn that we could be in a countertrend move higher.

Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,437	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 (33)
- Stochastic is oversold
- Price is above the daily pivot point USD 2,435
- Technically bearish yesterday, momentum was conflicting as the MA on the RSI implied it was still weak. However, the 1-hour RSI was in divergence, not a buy signal, it warned that lower timeframe momentum was starting to slow down, meaning we were becoming vulnerable to an intraday move higher. We noted that we had the daily 200-period MA at USD 2,478 which should act as a resistance. If we closed above and hold above the average on the daily chart, then we could see the Fibonacci resistance zone come under pressure. The futures traded to a low of USD 2,416 before finding light bid support on the lower timeframe divergence. We remain below all key moving averages supported by the RSI below 50, intraday price and momentum are conflicting, as the previous candle closed below the daily pivot level.
- A close on the 4-hour candle below USD 2,435 with the RSI at or below 28.5 will mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is aligned to the buy side. Upside moves that fail at or below USD 2,541 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, we are seeing a momentum slowdown but the recent low in the RSI would suggest that upside moves have the potential to be countertrend. The 1-hour chart remains divergent. We are now a cautious bear at these levels as the futures are looking vulnerable to an intraday move higher.

Nickel Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	15,975	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 (38)
- Stochastic is oversold
- Price is below the daily pivot point USD 16,040
- We remained bullish with a neutral bias yesterday; the MA on the RSI continued to suggest that momentum was neutral at this point. If we traded below the USD 16,065 fractal support, we had the potential to create a positive divergence with the RSI, suggesting caution on downside breakouts. We remain below the daily EMA resistance band, meaning we are also cautious on upside moves. Daily and weekly technicals continue to consolidate, indicating a longer-term neutral technical. The futures traded to a low of USD 15,890 before finding light bid support into the close; however, the divergence below USD 16,065 has failed, as the RSI is making new lows, the intraday technical is now bearish. Price is moving lower on the open with the futures 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 16,040 with the RSI at or above 46 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 16,322 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the new low on the RSI would suggest that upside moves now have the potential to be countertrend, making USD 16,322 the key resistance to follow. If broken, then the probability of the futures trading to a new low will start to decrease. Downside moves on the daily chart that trade below and close below and hold below the USD 15,840 low will warn that the technical is breaking the consolidation phase to the downside.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,122	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (45)
- Stochastic is oversold
- Price is above the daily pivot point USD 2,117
- The futures have moved lower yesterday with the MA on the RSI implying momentum was weakening, whilst the RSI was below 50. We were bearish but had a note of caution as the 1-hour RSI was divergent, not a buy signal, it warned that we could see a momentum slowdown which would need to be monitored. The futures continue to sell lower on the weak momentum indicators, resulting in the 1-hour divergence failing. We are below all key moving averages with the RSI below 50, intraday price and momentum are now conflicting, as we have seen light bid support on the open.
- A close on the 4-hour candle above USD 2,117 with the RSI at or above 47.5 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. Upside moves that fail at or below USD 2,154 will leave the futures vulnerable to further tests to the downside, above this level the USD 2,179 fractal resistance will start to look vulnerable. Key longer-term resistance remains unchanged at USD 2,209.
- Technically bearish, the MA on the RSI continues to suggest that momentum is weak at this point. If we trade below the USD 2,096 support, then it will warn that the USD 2,049 fractal low will start to look vulnerable. If we hold this level, it will support a near-term bull argument.