



Base Morning Technical Report

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

China

The total of new home sales in China's four first-tier cities reached 84,750 square meters of floor space last week, according to Bloomberg calculations based on data from China Real Estate Information Corp. on Feb. 12. Shenzhen had the smallest decrease, while Beijing had the biggest decrease. (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,109	R1	8,188	Stochastic oversold	RSI below 50
S2	8,052	R2	8,241		
S3	8,022	R3	8,277		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA Resistance band (Black EMA's)
- The RSI below 50 (30)
- Price is below the daily pivot point USD 8,188
- Stochastic is oversold
- We noted on Friday that the break lower without a technical pullback previously meant that the futures remain within the first stage of the corrective cycle (wave A), indicating upside moves should still be considered as countertrend. The MA on the RSI implied that momentum remained weak with the lower timeframe divergence failing. We had seen little price movement on the open on Friday due to the CNY holidays. The futures continued to move lower during the European session before closing with light bid support. We remain 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 8,188 with the RSI at or above 35 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 8,325 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 warned of Momentum weakness; however, we had a positive divergence on the lower timeframe, warning we could see a momentum slowdown. We noted that we were still on the extended wave A, but now think this may not be the case, as the high on the 21/012/23 at USD 8,704.5 did not break the USD 8,715 level. This means that the corrective move lower is part of a higher timeframe wave C, meaning we have moved our Fibonacci resistance levels lower. The downside wave has still seen an extension, meaning upside moves are still considered as countertrend, but we now think a move higher will be wave 4 of wave C, and not wave B. Due to the lower timeframe divergence, we now have a note of caution on downside moves at these levels, as we are vulnerable to an intraday pullback.

Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	2,145	2,207	Stochastic oversold	RSI below 50
S2	2,104			
S3	2,051			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (45)
- Stochastic is below 50
- Price is below the daily pivot point USD 2,208
- Technically bearish with upside moves still looking like they could be countertrend on Friday, the futures had rejected the upside resistance previously with price closing below the 200-period MA (USD 2,225), meaning we were below the average again. However, the previous candle was a long legged Doji, indicating there was still indecision in the market, meaning market sellers still needed to see a move lower, as the break was not yet definitive. We have seen a small move lower with price below the EMA resistance band. The RSI is below 50 with price and momentum aligned to the sell side.
- A close on the 4-hour candle above USD 2,208 with the RSI at or above 49 will mean price and momentum are aligned to the buyside. 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.
- Unchanged on the technical, we remain bearish with upside moves still looking like they could be counter-trend. We continue to hold below the daily 200-period MA (USD 2,224); however, as noted last week, the break is still not definitive due to the long legged Doji on the daily chart. A move below USD 2,180 on the higher timeframe will warn that the USD 2,152.5 fractal low could be tested and broken. A close back above the USD 2,224 average would suggest caution on downside moves whilst the average is in play.

Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	2,255	R1	2,310	Stochastic oversold RSI below 50
S2	2,204	R2	2,408	
S3	2,106	R3	2,446	

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (21)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,310
- Technically bearish on Friday, like copper, we were not expecting such a strong move lower due to the divergence that was in play. The strength of the move lower had changed the Elliott wave footprint on the lower timeframe, meaning we were seeing a wave extension to the downside. What had looked like a wave 5 is now looking like a wave 3 extension, meaning the USD 2,445 fractal resistance was less relevant; this also meant that upside moves should be considered as countertrend. The MA on the RSI warned that momentum remained weak. We continue to move lower with price below the EMA resistance band whilst the RSI is below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,310 with the RSI at or above 27 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,496 will leave the futures vulnerable to further tests to the downside.
- Technically bearish, the MA on the RSI continues to warn that momentum is weak whilst the intraday Elliott wave cycle is suggesting that upside moves could be countertrend. However, both the 4-and-2-hour RSIs are now in divergence, suggesting caution on downside moves at these levels, as we are vulnerable to an intraday move higher.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	15,968	R1	16,000		RSI below 50
S2	15,859	R2			
S3	15,798	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (45)
- Stochastic is below 50
- Price is above the daily pivot point USD 15,968
- We remained bearish on Friday, the MA on the RSI continued to imply that momentum was supported with the RSI near neutral at 49.7. We had rejected the downside previously but continued to hold in/below the resistance band with upside moves still looking like they could be countertrend. Due to the momentum support we noted that market sellers would need to see price and momentum become aligned to the sell side for confirmation that the USD 15,850 low was vulnerable. Key fractal support was at USD 15,840, dating back to the low on the 27/11/23. A close below that held below this level would warn that we were breaking the range to the downside. The futures did move lower with price and momentum becoming aligned to the sell side; however, price has opened with bid support, we remain below the EMA resistance band with the RSI below 50, intraday price and momentum are now conflicting.
- A close on the 4-hour candle below USD 15,968 with the RSI at or below 44 will mean price and momentum are aligned to the sell side; likewise, a close above this level with the RSI at or above 48.5 will mean it is aligned to the buyside. Upside moves that fail at or below USD 16,308 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- We remain bearish with the MA on the RSI starting to flatten, warning momentum is becoming neutral. Upside moves continue to look like they will be countertrend based on the intraday Elliott wave cycle. However, based on price and momentum and the MA on the RSI, there is a neutral bias creeping into the market.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,041	R1	2,045	Stochastic oversold	RSI below 50
S2	2,007	R2			
S3	1,958	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 2,041
- As noted on Friday, since early December, the upside moves in the futures had looked to be countertrend based on our Elliott wave analysis. The breakdown in the futures over the previous two session warned that the USD 2,016 fractal low could/should be tested and broken, we maintained our view that upside moves look to be countertrend, with the MA on the RSI implying that momentum remained weak. The futures traded to a low of USD 2,025 before finding light bid support. We remain below all key moving averages supported by the RSI below 50, intraday price and momentum are now conflicting.
- A close on the 4-hour candle above USD 2,041 with the RSI at or above 37 will mean price and momentum are aligned to the buy side. Likewise, a close below this level with the RSI at or below 32.5 will mean it is aligned to the sell side. Upside moves that fail at or below USD 2,126 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, intraday Elliott wave analysis continues to suggest that upside moves should be considered as countertrend, meaning we maintain our view that the USD 2,016 fractal low remains vulnerable at this point. The MA on the RSI continues to warn of momentum weakness.