



Base Morning Technical Report

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Metals

Metal prices trade higher as investors await U.S. PCE inflation data due later on Thursday to get more cues on the timeline of interest-rate cuts. Three-month copper is up 0.4% at \$8,487.50 a metric ton, while aluminum is up 0.6% at \$2,204 a ton. The headline PCE inflation figure is expected at 2.4% on year from 2.6% the previous month, a drop in the right direction for the Fed, according to analysts at Peak Trading Research. "A softer PCE print later today would put more Fed interest-rate hikes back on the table, weaken the U.S. dollar, and boost our commodity markets," they say in a note. Meanwhile, gold trades 0.1% higher at \$2,043.90 a troy ounce. (Dow Jones/Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,447	R1	8,482	RSI above 50	
S2	8,398	R2			
S3	8,331	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (51)
- Price is below the daily pivot point USD 8,457
- Stochastic is below 50
- Unchanged on the technical yesterday, we maintained our view based on intraday Elliott wave analysis that downside moves look to be countertrend. However, the MA on the RSI warned that momentum remained weak with price below the weekly pivot, suggesting support levels were still vulnerable in the near-term. A move below USD 8,331 would mean that the probability of the futures trading to a new high would start to decrease. The futures traded to a low of USD 8,247 before finding bid support on the Asian open. We are above the EMA support band with the RSI near neutral at 51, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 8,457 with the RSI at or below 47.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 8,331 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RS is now flat, implying momentum is turning neutral. Elliott wave analysis continues to suggest that we are vulnerable to another move higher, implying caution on downside moves. Price and momentum are aligned to the buyside, if we close above the weekly pivot level, USD 8,524, then we could see resistance levels come under pressure.

Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,205	RSI above 50	
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is above 50 (51)
- Stochastic is below 50
- Price is above the daily pivot point USD 2,190
- Technically bearish yesterday, the rejection of the weekly pivot level warned that support levels were vulnerable in the near-term. However, as highlighted previously, a move below USD 2,175 would create another positive divergence with the RSI. Not a sell signal, it warned that we could see a momentum slowdown on a new low, suggesting caution on downside breakouts. If we closed above the USD 2,209 level, it would imply that momentum based on price was increasing, meaning we could see the USD 2,236 resistance come under pressure. The futures traded to a low of USD 2,277 before finding bid support into the close, we have continued to move higher in the Asian day session. Price is between the EMA resistance band with the RSI near neutral at 51, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 2,190 with the RSI at or below 44 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,236 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- The futures held the USD 2,175 support yesterday resulting in a move higher. The MA on the RSI is indicating that momentum is supported with price now approaching the weekly pivot level at USD 2,209. A close above this level on the daily chart will warn that the USD 2,236 resistance could come under pressure, if broken, then the probability of the futures trading to a new low will start to decrease. We remain cautious on downside moves below USD 2,175 due to the divergence risk.

Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,427.5	RSI above 50	
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (56)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,403
- Technically bearish yesterday, we had previously highlighted a concern that the intraday upside move looked to have consisted of 5-waves, warning it was potentially bullish impulse, and not a corrective move higher. We did continue to rally, with the intraday pattern looking like it was a double 3 (corrective, rather than bullish). The futures were testing the weekly pivot support (USD 2,398), a close below this level on the daily chart would warn that the USD 2,378 fractal support could be tested and broken. If it was, then the technical is warning that the USD 2,335 support would become vulnerable. We highlighted this as a key level, if broken, then the probability of the futures trading to a new high would start to decrease, implying we should in theory see downside continuation. The futures traded to a low of USD 2,372, meaning the fractal support was broken; however, the move failed to hold, resulting in price closing back above the weekly pivot level. We are above the EMA support band with the RSI above 50, intraday price and momentum are conflicting, as the RSI move above its MA is not yet clean.
- A close on the 4-hour candle above USD 2,403 with the RSI at or above 57.5 will mean price and momentum are aligned to the buy side. Likewise, a close below this level with the RSI at or below 53 will mean it is aligned to the sell side. Upside moves that fail at or below USD 2,494 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Downside moves that hold at or above USD 2,335 will support a near-term bull argument, below this level the USD 2,278 fractal low will start to look vulnerable.
- A mixed technical today, we are bearish with the move below USD 2,378 suggesting support levels are vulnerable, the RSI has also broken support levels, warning the move higher could fail to hold. However, this is countered by the close back above the weekly pivot level (USD 2,398), whilst the MA on the RSI has started to flatten. We are cautious on upside moves at this point, but with the conflicting signals, we are taking a more neutral view today due to the lack of clarity. If we close back below the weekly pivot on the daily chart, the USD 2,335 support will start to become vulnerable.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	17,551	R1	17,635	RSI above 50	Stochastic overbought	
S2	17,244	R2				17,880
S3	17,101	R3				18,086

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (63)
- Stochastic is overbought
- Price is above the daily pivot point USD 17,551
- Technically bullish yesterday, the futures had moved higher but failed to trade above the USD 17,600 level. The MA on the RSI continued to warn of momentum weakness whilst the RSI was rejecting the average. In theory, if our Elliott wave analysis was correct, then we needed to trade above USD 17,600; if we did, then we had a potential upside target at USD 18,086. However, a new high would create a negative divergence with the RSI, not a sell signal it would warn that we had the potential to see a momentum slowdown on a new high, suggesting caution on upside breakouts. We highlighted USD 17,188 as an area of near-term interest, if we held above this level, then we should test the USD 17,600 high. If it was broken, then it would imply that we are still in the corrective phase of the cycle. We noted that wave cycles can and do fail at times, it is not a certainty that we will trade to a new high. The downside move held above the USD 17,188 level, resulting in the futures trading to a new high. We are above all key moving averages with the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 17,551 with the RSI at or below 60 will mean price and momentum are aligned to the sell side. Downside moves that hold at or below USD 17,244 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, our intraday Elliott wave analysis would suggest that we have a potential upside target at USD 18,086. However, we now have a negative divergence with the RSI in play, not a sell signal, it is a warning that we could see a momentum slowdown and will need to be monitored. Key support is at USD 17,244, if broken, then the probability of the futures trading to a new high will start to decrease.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,070	R1	2,076		RSI below 50
S2	2,057	R2			
S3	2,031	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA support band (Black EMA's)
- RSI is below 50 (49)
- Stochastic is below 50
- Price is below the daily pivot point USD 2,080
- Technically bearish yesterday, the futures were rejecting our key resistance (USD 2,116) with intraday price trading just below the weekly pivot level (USD 2,077). A close on the daily chart below this level would further weaken the technical, warning that the USD 2,057 support could be tested and broken. If it was, then the probability of the futures trading to a new high would start to decrease, implying there will be further downside to follow. The futures traded to a low of USD 2,065; however, the move failed to hold, resulting in price closing back above the weekly pivot level. We are between the EMA support band with the RSI near neutral at 49, intraday price and momentum are conflicting, as the previous candle closed above the daily pivot level.
- A close on the 4-hour candle above USD 2,080 with the RSI at or above 55.5 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 2,116 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Downside moves that hold at or above USD 2,057 will support a near-term bull argument, if broken the USD 2,031 support will start to look vulnerable.
- Technically bearish, if price and momentum become aligned to the sell side, and we close below the weekly pivot level on the daily chart, then we could see the USD 2,057 support be tested and broken. If we hold above the weekly pivot level (USD 2,077), it will warn that there continues to be buy side support in the market. The Ma on the RSI is suggesting that momentum remains weak, whilst the RSI has broken support, implying upside moves could struggle to hold.

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