



Base Morning Technical Report

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Metals

Metal Prices Are Mixed as China Demand Stays Muted -- Market Talk

(Dow Jones) -- 0834 GMT - Metal prices are mixed, as data from China shows that weekly inventories for all base metals continued to rise last week as demand remains sluggish. Gold is broadly flat at \$2,095 a troy ounce, but remains close to its two-month peak. Data from the Shanghai Futures Exchange pointed to increased Chinese holdings of metals, at a time of weak consumption following the Lunar New Year holiday in mid-February, ING analysts say in a research note. Copper stocks in China jumped by 18% on-week to 214,487 tons as of Friday, the highest since March, 2023, ING says. At the same time, aluminum and zinc inventories both rose by more than 10% each. Aluminum prices rise 0.1% to \$2,238 a ton, while copper rises 0.2% to \$8,542 a ton. (joseph.hoppe@wsj.com) (DJ/Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	8,447	R1	8,502	RSI above 50	Stochastic overbought	
S2	8,398	R2				8,607.5
S3	8,331	R3				8,636

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (52)
- Price is above the daily pivot point USD 8,494
- Stochastic is overbought
- Technically bullish on Friday, the futures remained in a corrective phase with price consolidating. Intraday Elliott wave analysis continued to suggest that downside moves should be considered as countertrend, making USD 8,331 the key support to follow. A close below this level would mean that the probability of the futures trading to a new high had started to decrease. The MA on the RSI was flat, as was the EMA support band, implying a lack of directional bias in the near-term. The futures traded to a high of USD 8,534 before selling lower in the Asian day session. We are above the EMA support band with the RSI above 50, intraday price and momentum are conflicting, as the previous candle closed below the daily pivot point.
- A close on the 4-hour candle below USD 8,494 with the RSI at or below 49.5 will mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is aligned to the buyside. 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. Upside moves that fail at or below USD 8,546 will leave the futures vulnerable to further tests to the downside, if broken, the USD 8,607.5 fractal high will start to look vulnerable.
- Technically bullish, our intraday Elliott wave analysis continues to suggest that downside moves look like they could be countertrend. If we reject the USD 8,546 resistance, it will warn that the corrective phase could be more complex. If broken, then the probability of the futures trading to a new low will start to decrease, meaning we could be in the early stages of a bullish impulse wave 5.

Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,230.5	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (57)
- Stochastic is overbought
- Price is on the daily pivot point USD 2,230
- Technically bearish on Friday, the close above the USD 2,209 level on the daily chart warned that the USD 2,236 resistance was vulnerable, a move above this level would imply that the probability of the futures trading to a new low had started to decrease. The MA on the RSI also implied that momentum was supported, suggesting caution on downside moves. The futures traded to a high of USD 2,248.5 before correcting. We are above the EMA resistance band with the RSI above 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 2,230 with the RSI at or below 53 will mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is aligned to the buyside. Downside moves that hold at or above USD 2,199 will support a near-term bull argument, if broken, then the USD 2,175 fractal low could come under pressure.
- Technically bearish, we now have a neutral bias, as the breach in the USD 2,236 resistance is warning that the probability of the futures trading to a new low has started to decrease. The MA on the RSI is also implying momentum is supported at this point, whilst price is above the weekly pivot level (USD 2,219), if we hold above it, then resistance remains vulnerable. However, we have a bearish rejection candle on the 4-hour chart that has resulted in an intraday pullback, if we close below the weekly pivot on the daily chart, then the USD 2,199 support could come under pressure.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,422	R1	2,430.5	RSI above 50	
S2	2,382	R2			
S3	2,362	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (55)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,422
- Unchanged on the technical on Friday, we remained bearish with upside moves looking like they could be countertrend. However, the futures remained above the weekly pivot level at this point, implying momentum was supported. Based on this we maintained a more neutral view as there continued to be a lack of clarity. The futures had a small test to the downside, held the weekly pivot and closed with bid support. We had a small move lower on the Asian open but remain supported at this point. Price is above the EMA support band with the RSI above 50, intraday price and momentum are conflicting, as the previous candle closed below the daily pivot level.
- A close on the 4-hour candle above USD 2,422 with the RSI at or above 56.5 will mean price and momentum are aligned to the buy side. Likewise, a close below this level with the RSI at or below 52 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.
- Technically bearish, the futures are holding above the EMA support band with price above the weekly pivot level (USD 2,422), implying the market is supported. However, the MA on the RSI and the EMA support band are flat, meaning we continue to have a lack of directional bias. Based on this, we continue to have a more neutral view.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	17,579	R1	17,620	RSI above 50	
S2	17,470	R2			
S3	17,321	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 on the daily pivot point USD 17,611
- Technically bullish on Friday, based on our intraday Elliott wave analysis we maintain a potential upside at USD 18,086. However, as noted previously, we continued to have a note of caution due to the divergence that was in play. The futures traded below the USD 17,321 level, meaning the pullback was considered as deep; however, we found bid support on the EMA band, meaning the technical is back in bullish territory. We are above all key moving averages with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 17,611 with the RSI at or above 63.5 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. Downside moves that hold at or below USD 17,321 will support a bull argument, below this level the technical will have a neutral bias. Note: this level is back in play due to the bid support into the close on Friday.
- Technically bullish with a potential upside target at USD 18,086, we maintain a note of caution as a new high will create further divergences with the RSI. For this reason, we do not consider the futures a technical buy at these levels.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,031	R1	2,047.5	Stochastic oversold	RSI below 50
S2	2,021	R2			
S3	2,005	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (42)
- Stochastic is oversold
- Price is on the daily pivot point USD 2,047
- Technically bearish on Friday, the futures had rejected our key resistance with price breaching the USD 2,057 support into the close previously, warning the USD 2,031 fractal low was vulnerable. The MA on the RSI implied that momentum was weak whilst the RSI was making new lows, warning upside moves could struggle to hold. We traded to a low of USD 2,033 before finding light bid support. Price is 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 2,047 with the RSI at or above 46 will mean price and momentum are aligned to the buyside. 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.
- Technically bearish, the MA on the RSI continues to imply momentum is weak, whilst the break in the USD 2,057 support means that the USD 2,031 fractal support is vulnerable. We maintain our view that upside moves could struggle to hold based on the RSI making new lows alongside support.