



Base Morning Technical Report

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China

looking ahead there are positive signs China's consumer confidence could be improving, but the pace will be quite slow, UBS's head of Greater China consumer research Christine Peng tells Bloomberg TV. Government needs to provide service sector jobs for young people; think this will be an area it will try to boost in the future: Peng Going forward, overall consumption has been stabilizing; don't think the government is going to provide vouchers: Peng

Earlier: China's Pledge to Lift Consumption Sparks Debate on Cash Handouts

If consumption in lower tier cities can really grow, that will help offset some headwinds as consumers in tier-1, tier-2 cities are impacted by lower property prices: Peng (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,622	R1	8,630.5	RSI above 50	
S2	8,516	R2			
S3	8,483	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (56)
- Price is above the daily pivot point USD 8,622
- Stochastic is above 50
- Technically bullish yesterday, the futures were moving lower on the back of a negative divergence with the RSI, warning support levels were starting to look vulnerable. Price and momentum were aligned to the sell side; however, the futures were above the weekly pivot level (USD 8,579), if we continued to hold above this level, then resistance levels would remain vulnerable. If we closed on the daily chart below USD 8,579 then there was a higher chance that the USD 8,516 support would be broken; if it was, then the probability of the futures trading to a new high would start to decrease. Having tested the weekly pivot level on the open yesterday, the downside move failed to hold, resulting in the futures moving higher. We are above all key moving averages with the RSI above 50, intraday price and momentum are conflicting.
- A close on the candle above USD 8,622 with the RSI at or above 60.5 will mean price and momentum are aligned to the buyside. Likewise, a close below this level with the RSI at or below 56 will mean it is aligned to the sell side. Downside moves that hold at or above USD 8,516 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the futures are holding above the weekly pivot level with lower timeframe Elliott wave analysis suggesting that we still have the potential for one more test to the upside, making USD 8,689 – USD 8,724 the two key resistance levels to follow. However, the futures are already in divergence, above USD 8,689 it will create a second divergence; not a sell signal it is a warning that we have the potential to see a momentum slowdown, suggesting caution on upside breakouts. A cautious bull at these levels, as upside moves have the potential to be limited.

Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,252	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 (55)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,248
- Technically bearish with a neutral bias yesterday, the downside move below the USD 2,246.5 fractal support indicated that sell side momentum was increasing. Price was moving lower on the back of multiple timeframe divergences, warning that support levels were vulnerable in the near-term. A close on the daily chart below USD 2,239 (Weekly Pivot) would further warn that sell side momentum was increasing. As noted last week, the 5-wave impulse move is a warning that the technical footprint could be changing, making USD 2,206 the key support to follow. If it holds, it will warn that there is potentially a larger bullish wave cycle in play. The futures tested the downside but closed back above the weekly pivot level. Price is 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 2,248 with the RSI at or above 58 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 above USD 2,206 will support a near-term bull argument, below this level the technical will be back in bearish territory.
- Technically bearish with a neutral bias, the futures continue to hold/close above the weekly pivot level. However, the 4-hour technical and the lower timeframe wave cycle are both in divergence with the RSI. Not a sell signal it is a warning that we have the potential to see a momentum slowdown, which will need to be monitored. We remain cautious on upside moves at these levels, if we do trade to a new high, it will indicate there is some form of wave extension that is not apparent on the lower timeframe at this point. As noted yesterday, downside moves that hold at or above USD 2,206 will warn that there is potentially a larger bullish Elliott wave cycle in play.

Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,562	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (68)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,549
- Technically bearish with a neutral bias yesterday; We noted that the break in key resistance, the time factor on the upside move, alongside the RSI making new highs, would suggest that downside moves had the potential to be countertrend. Having sold lower on the Asian open yesterday the futures held above the weekly pivot level (USD 2,498), resulting in price trading to new highs. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 2,549 with the RSI at or below 65.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,438 will support a near-term bull argument, below this level the USD 2,372 fractal low will start to look vulnerable.
- Technically bearish with a neutral bias, price action remains bullish. Lower timeframe Elliott wave analysis is suggesting that we have the potential to trade as high as USD 2,618 within this phase of the cycle; if we do, then the intraday technical will be bullish. We are now in divergence with the RSI, not a sell signal, it is a warning that we could see a momentum slowdown which needs to be monitored. A move below USD 2,502 would suggest that this phase of the cycle has completed (lower timeframe); however, we maintain our view that downside moves look like they will be countertrend. Key support is now at USD 2,438, below this level the probability of the futures trading to a new high will start to decrease.

Nickel Morning Technical (4-hour)



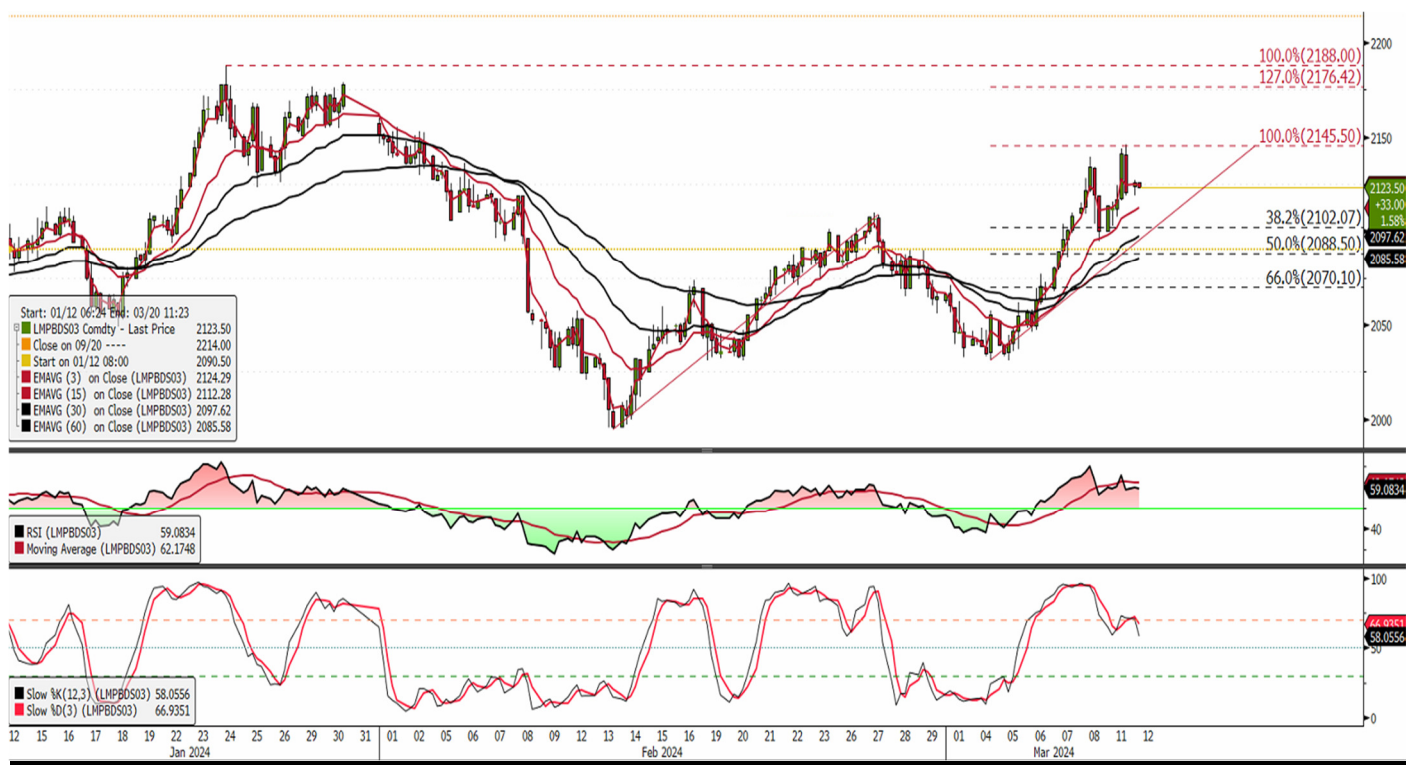
	Support	Resistance	Current Price	Bull	Bear
S1	17,612	R1	18,110	RSI above 50	Stochastic overbought
S2	17,345	R2			
S3	16,981	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (56)
- Stochastic is overbought
- Price is below the daily pivot point USD 18,206
- Technically bullish with downside moves considered as countertrend yesterday. We had revised our Fibonacci support levels lower due to the Elliott wave extension, meaning key support was at USD 18,206; if broken, then the probability of the futures trading to a new high would start to decrease. As previously noted, we remained cautious on upside moves at these levels due to the negative divergence in play. The futures traded to a new high before entering selling lower into the close. We are above all key moving averages with the RSI above 50, intraday price and momentum are conflicting, as the RSI was above its MA on the previous candles close.
- A close on the 4-hour candle below USD 18,206 with the RSI at or below 57 will mean price and momentum are aligned to the sell side; likewise, a close above this level with the RSI at or above 61.5 will mean it is aligned to the buyside. Downside moves that hold at or below USD 16,981 will support a bull argument, below this level the technical will have a neutral bias.
- Unchanged on the technical today, the futures are moving higher but in divergence, implying caution on upside moves at these levels. However, the longer-term wave cycle is bullish, suggesting downside moves look like they could be countertrend. Key support is at USD 16,981, below this level 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	2,122	R1	2,139	2,123.5	RSI above 50	
S2	2,102	R2	2,145			
S3	2,088	R3	2,176			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (59)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,122
- Unchanged on the technical yesterday, we remained bearish with a neutral bias; however, the recent high in the RSI continued to suggest that downside moves should be considered as countertrend in the near-term, making USD 2,067 the key support to follow. If broken, then the probability of the futures trading to a new high will start to decrease. The futures held support resulting in price trading to a new high yesterday, before seeing a pullback into the close. Price is 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 2,122 with the RSI at or above 64.5 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 above USD 2,070 will support a near-term bull argument, below this level the USD 2,031 fractal support will start to look vulnerable.
- Technically bearish with a neutral bias, price action is bullish based on the RSI making a new high on the 08/03, alongside the timescale of the recent upside move. The futures are now in divergence warning we are vulnerable to a momentum slowdown, suggesting caution on upside moves at these levels. However, if the technical footprint has changed as it is warning, then downside moves look like they could be countertrend, making USD 2,070 the key support to follow. If broken, then the probability of the futures trading to a new high will start to decrease.

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