



# Base Morning Technical Report

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Cu

Prices for two of the world's most important mined commodities are diverging quickly, with copper rallying above \$9,000 a ton as supply cuts roil the market and iron ore sinking as demand headwinds mount.

Copper has surged 5% this week, ending of a months-long spell of inertia, as investors hone in on risks to supply at mines and smelters. Tentatively, traders are also warming to the idea that the worst of a global downturn is past, particularly for metals like copper that are finding growing usage in electric vehicles and renewables.

But signs of the headwinds in traditional industrial sectors are still plain to see in the iron ore market, where futures fell below \$100 a ton for the first time in seven months on Friday. Investors are betting that China's years-long property crisis will run through 2024, keeping a lid on demand. (Bloomberg).

# Copper Morning Technical (4-hour)



|    | Support | Resistance | Current Price | Bull         | Bear                  |
|----|---------|------------|---------------|--------------|-----------------------|
| S1 | 8,908   | R1         | 9,020         | RSI above 50 | Stochastic overbought |
| S2 | 8,813   | R2         |               |              |                       |
| S3 | 8,739   | R3         |               |              |                       |

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (74)
- Price is above the daily pivot point USD 8,908
- Stochastic is overbought
- Technically bullish yesterday, the upside move previously had caused the Elliott wave cycle to extend, meaning downside were considered as countertrend. We were no longer in divergence as the RSI had made new highs alongside price, supporting a bull argument. The futures had a small correction yesterday before trading to new highs in the Asian day session. 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 8,908 with the RSI at or below 67 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 8,639 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the futures are in divergence on a lower timeframe, warning we could see a momentum slowdown. However, the longer-term Elliott wave cycle is bullish, indicating downside moves should in theory be countertrend, making USD 8,639 the key support to follow. If broken, then the probability of the futures trading to a new high will start to decrease.

# Aluminium Morning Technical (4-hour)



|    | Support | Resistance | Current Price | Bull         | Bear |
|----|---------|------------|---------------|--------------|------|
| S1 | 2,257   | R1         | 2,258         | RSI above 50 |      |
| S2 | 2,236   | R2         |               |              |      |
| S3 | 2,224   | R3         |               |              |      |

**Synopsis - Intraday**

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (57)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,257
- Technically bullish yesterday, we maintained a cautious view on upside moves due to the negative divergence in play, as it is warning we have the potential to see a momentum slowdown. The futures traded back into the EMA support band before finding bid support in the Asian day session. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,257 with the RSI at or below 54 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,208 will support a longer-term bull argument, below this level the probability of there being a larger bull cycle in play will decrease. Note: below USD 2,231.5 the intraday technical will be bearish.
- Technically bullish, the futures are testing the USD 2,274.5 fractal resistance (current price USD 2,274); if broken, the new high will create a negative divergence with the RSI, not a sell signal it is a warning that we could see a momentum slowdown which will need to be monitored. If we do trade to a new high, then key fractal support will move up to USD 2,244.5, below this level the intraday technical will then become bearish.

# Zinc Morning Technical (4-hour)



| Support | Resistance | Current Price | Bull         | Bear                  |
|---------|------------|---------------|--------------|-----------------------|
| S1      | R1         | 2,589         | 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 (63)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,560
- Unchanged on the technical yesterday, we still had the chance to trade as high as USD 2,618 within this phase off the cycle. However, we did have a note of caution due on upside moves due the divergence in play. Intraday Elliott wave analysis suggested that downside moves could be countertrend, implying support levels should hold if tested. Price is now testing the fractal high (USD 2,592), we are above all key moving averages supported by the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,260 with the RSI at or below 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 2,445 will support a longer-term bull argument, below this level the probability of there being a larger bull cycle in play will decrease. Note: below USD 2,231.5 the intraday technical will be bearish.
- Technically we are bearish with a neutral bias, near-term price action remains bullish. The higher timeframe wave 3 has not seen its oscillator cross on the downside move yesterday, suggesting we are going to see further wave 3 extensions on this phase of the cycle. A move above USD 2,652 will mean we have a potential upside target at USD 2,652, warning the intraday technical will officially become bullish above USD 2,605. However, we do have a note of caution on upside breakouts as price will be in divergence with the RSI. We maintain our view that downside moves should be considered as countertrend at this point.

# Nickel Morning Technical (4-hour)



| Support | Resistance | Current Price | Bull         | Bear |
|---------|------------|---------------|--------------|------|
| S1      | R1         | 18,265        | 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 below 50
- Price is above the daily pivot point USD 18,186
- Technically bullish yesterday, the futures had entered a corrective phase, the MA on the RSI warned that momentum was weakening. If we closed on the daily chart below the weekly pivot level (USD 17,863), it would warn that sell side momentum was increasing, meaning support levels could come under pressure. Likewise, downside moves below USD 17,019 would warn that the probability of the futures trading to a new high would start to decrease. Intraday Elliott wave analysis continued to suggest that downside moves have the potential to be countertrend at this point. The futures continued to sell lower but held above the weekly pivot level, meaning we are now seeing light bid support. 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 18,186 with the RSI at or above 59 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 17,019 will support a bull argument, below this level the technical will have a neutral bias.
- Unchanged on the technical, we maintain our view that downside moves should be considered as countertrend, meaning resistance levels remain vulnerable. The MA on the RSI is still warning of momentum weakness at this point; however, the RSI is above 50 with the stochastic crossing above 30, suggesting price and momentum could soon become aligned to the buy side.

# Lead Morning Technical (4-hour)



| Support | Resistance | Current Price | Bull         | Bear |
|---------|------------|---------------|--------------|------|
| S1      | R1         | 2,142         | 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 below 50
- Price is below the daily pivot point USD 2,154
- Our technical view remained unchanged yesterday. We remained bearish with a neutral bias, the probability of the futures trading to a new low was decreasing. Lower-timeframe momentum indicators remained in divergence, suggesting caution on upside moves at these levels. Based on lower timeframe Elliott wave analysis, downside moves could be countertrend. The futures have entered a corrective phase on the back of the negative divergence with the RSI. We remain above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,154 with the RSI at or above 65.5 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 2,078 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. The futures are moving lower on the back of a negative divergence with the RSI, suggesting support levels are vulnerable in the near-term. However, if our Elliott wave analysis is correct, then the current move lower looks like it could be countertrend.

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