



Base Morning Technical Report

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Metals

Copper extended its decline from a two-year high near \$10,000 a ton, falling with other base metals, as traders awaited a slew of US data that could steer the Federal Reserve's next monetary policy moves.

The LME Index of all six base metals on the London Metal Exchange has gained more than 13% this month on a better global manufacturing outlook. But investors turned cautious this week ahead of key US economic data releases, such as first-quarter growth numbers, jobless figures and the central bank's preferred measure of inflation.

Market participants will look for signals related to the Fed's thinking on interest rates. Policymakers have turned increasingly hawkish on the outlook for rates in recent weeks on signs of stubborn price pressures. For metals, there's a risk that a "higher-for-longer" rate environment will hurt demand expectations.

Copper dropped 0.8% to \$9,748.50 a ton by 10:52 a.m. in Singapore Tuesday, after slipping 0.5% a day earlier. Other metals also fell, with aluminum down 1.5% and nickel declining 2.3%. Tin has gone into a sharp reversal, shedding more than 6% since the weekend after fears of a supply squeeze sent prices soaring. Iron ore futures in Singapore were flat at \$116.15 a ton. (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,729	R1	9,747	RSI above 50	
S2	9,650	R2			
S3	9,542	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (55)
- Stochastic is at 50
- Price is below the daily pivot point USD 9,882
- Technically bullish yesterday, the 4-hour RSI was still in divergence; however, the MA on the RSI implied that momentum was supported. We noted that we were seeing an Elliott wave extension on the lower timeframe, that suggested downside moves look like they could be countertrend in the near-term. A close on the daily candle below the weekly pivot level (USD 9,733) would warn that sell side pressure was increasing, whilst a move below USD 9,542 would imply that the probability of the futures trading to a new high was starting to decrease. The futures have entered a corrective phase with price remaining above the EMA support band. The RSI is above 50 with price and momentum aligned to the sell side.
- A close on the 4-hour candle above USD 9,882 with the RSI at or above 68.5 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 9,542 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the futures are in a corrective phase with price testing but holding above the daily pivot level (USD 9,733). A close on the daily candle below the weekly pivot will imply that sell side pressure is increasing, warning that the USD 9,542 level could come under pressure in the near-term, if broken, then the probability of the futures trading to a new high will start to decrease. Likewise, if we continue to hold above and close above this level then resistance level should in theory be tested, as the RSI broke near-term resistance last week. The MA on the RSI is signaling that momentum is starting to weaken; however, the EMA's remain well spaced in an upward trajectory at this point, implying that the trend looks to be stable. As noted previously, we remain cautious on downside moves at this point.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,635	R1	2,664	RSI above 50	
S2	2,502	R2	2,665		
S3	2,429	R3	2,688		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (58)
- Stochastic is above 50
- Price is below the daily pivot point USD 2,664
- Technically bullish yesterday, the MA on the RSI implied that momentum was supported; however, the average was starting to flatten a little. Our intraday Elliott wave analysis continued to suggest that downside moves should be considered as countertrend, making USD 2,429 the key support to follow. If broken, then the probability of the futures trading to a new high would start to decrease. A close on the daily chart below USD 2,635 will warn that sell side pressure is increasing, meaning we could see the Fibonacci support zone come under pressure in the near-term. The futures have entered a corrective phase on the slowing momentum; 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 2,664 with the RSI at or above 68 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 2,429 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, conflicting price and momentum yesterday warned that buy side momentum was slowing, resulting in the futures rolling over to the sell side. Price is trading on the weekly pivot level (USD 2,635), a close below it on the daily candle will warn that the EMA support band could come under pressure. The trend itself is stable based on the EMA spacing with our intraday Elliott wave analysis suggesting that downside moves look like they could be countertrend. Price action is weakening, as is the MA on the RSI, but we will need to see further downside to confirm that this is a corrective Elliott wave 4.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,763	R1	2,795.5	RSI above 50	
S2	2,728	R2			
S3	2,677	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA support band (Black EMA's)
- RSI is above 50 (51)
- Stochastic is below 50
- Price is below the daily pivot point USD 2,833
- Technically bullish yesterday with the futures selling slightly lower on the open. The upside move on the 19/04/24 means we have a near-term minor divergence in play. Not a sell signal, it warned that we could see a momentum slowdown. A close on the daily candle below USD 2,812 (correction 2,818) would imply that sell side momentum was increasing, making USD 2,606 the key support to follow, below this level the probability of the futures trading to a new high would start to decrease. We were vulnerable to a near-term pull-back whilst the minor divergence is in play; however, based on our intraday Elliott wave analysis, downside moves continue to look like they could be countertrend. If we traded above USD 2,897 before seeing a pull-back, it will mean that there is a larger divergence in play. In theory, the futures needed to trade to a new high. The futures have sold lower on the back of the minor divergence, meaning we remain in a corrective phase. We are trading in the EMA support band with the RSI just above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,833 with the RSI at or above 60 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 2,606 will support a bull argument, below this level the technical will have a neutral bias.
- The futures are moving lower, warning we remain in the corrective phase at this point. The intraday price is trading below the weekly pivot level (USD 2,818), if we close below it on the daily chart, it will imply that sell side pressure is increasing, meaning we could test the USD 2,763 support. We highlight this as a key near-term level to follow, if it is broken, it will warn that the corrective phase could become more complex, meaning we could test the USD 2,707 fractal low in the near-term. Our Elliott wave analysis continues to warn that downside moves look like they could be countertrend, making USD 2,606 the key longer-term support to follow. If this level is broken, then 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	18,942	R1	19,490	19,170	RSI above 50	Stochastic overbought
S2	18,843	R2	19,811			
S3	18,685	R3	20,415			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (59)
- Stochastic is overbought
- Price is below the daily pivot point USD 19,490
- Technically bullish yesterday, the new high meant that there was a larger bullish Elliott cycle in play, implying downside moves should be considered as countertrend. The MA on the RSI indicated that momentum was supported at this point, with price above the weekly pivot level (USD 18,843). A close on the daily candle below this level would warn that sell side pressure was starting to increase, warning Fibonacci support levels could come under pressure in the near-term. Key support was at USD 18,259, a close below this level would mean that the probability of the futures trading to a new high would start to decrease. The RSI held its MA support yesterday resulting in the futures trading to a high of USD 19,775; however, this created a divergence with the RSI, resulting in the futures selling lower on the open. We remain above all key moving averages with the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 19,490 with the RSI at or above 68 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 18,336 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the futures looking like they could be in the early stages of a corrective phase due to the move lower on the back of the negative divergence with the RSI, warning Fibonacci support levels could come under pressure. A close on the daily candle below USD (18,843) will imply that sell side pressure is increasing; likewise, if we hold above this level, then resistance levels have the potential to come under pressure in the near-term. If we trade below the USD 18,336 support, then the probability of the futures trading to a new high will start to decrease. We are bullish with downside moves considered as countertrend, but potentially in the early stages of a corrective phase.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,150	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (45)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,177
- Technically bullish yesterday, the new high meant that we were in divergence with the RSI. Not a sell signal, it warned that we could see a momentum slowdown, which needed to be monitored. Intraday Elliott wave analysis suggested that we had the potential to trade as high as USD 2,259 within this phase of the cycle (target revised higher). If we closed on the daily candle below the weekly pivot level (USD 2,190), it would imply sell side pressure was increasing, warning the USD 2,164 support could come under pressure. If this level was broken, then the probability of the futures trading at a new high would start to decrease. A cautious bull due to the divergence. The futures sold lower on the back of the divergence with price closing below the weekly pivot level. We are below the EMA support 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 2,177 with the RSI at or above 57.5 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 2,195 will warn that the futures are vulnerable to further tests to the downside. Above this level we have the potential to test the USD 2,222 fractal high.
- Technically bullish, the depth of the pullback means we now have a neutral bias, the probability of the futures trading to a new high has started to decrease. Below USD 2,135 the intraday technical will be bearish. The RSI has broken support, whilst the MA on the RSI is warning that momentum remains weak, this would suggest that upside resistance levels could hold in the near-term. The close below the weekly pivot level (USD 2,190), is warning that sell side pressure is increasing, meaning support levels are vulnerable. Key longer-term support is at USD 2,072, if we hold above this level, it will warn that there is potentially a larger bullish Elliott wave cycle in play. The technical is warning that the USD 2,135 fractal support could be broken.

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