



Base Morning Technical Report

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China

China's ruling Communist Party vowed to study measures to digest the nation's housing stockpile, in a move that could alleviate the property crisis, and hinted at a willingness to cut rates.

The world's second-largest economy will "make flexible use" of tools to step up support for the economy and lower overall borrowing costs, a meeting of the 24-member decision-making body led by Chinese President Xi Jinping agreed, according to a Tuesday readout from the official Xinhua News Agency.

Those tools include interest rates and the reserve requirement ratio, which determines the amount of cash banks must set in reserve, according to the statement. Top officials said monetary policy should be "prudent" while fiscal policy should be "proactive." (Bloomberg)

Cu

Copper was on track for its biggest monthly rally in more than two years as it extended gains above \$10,000 a ton, with fresh Chinese factory data bolstering hopes that the economic rebound in the world's top metals-consuming nation can be sustained.

The metal has surged 15% during April as a historic squeeze in the supply of mined ore risks titling the market into a major deficit, amid an expected surge in demand from green industries. (Bloomberg)

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	10,086	R1	10,227	RSI above 50	Stochastic overbought
S2	10,004	R2	10,369		
S3	9,875	R3	10,571		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (69)
- Stochastic is overbought
- Price is above the daily pivot point USD 10,086
- Technically bullish yesterday, the new high meant that the futures were in divergence with the RSI, not a sell signal, it warned that we could see a momentum slowdown, which needed to be monitored. However, intraday Elliott wave analysis continued to suggest that we have the potential to trade as high as USD 10,365 for this phase of the cycle. In terms of the longer-term trend (Elliott wave cycle), we looked to be nearing the completion of a higher timeframe wave 3 on the cycle that started on the 05/10/23.
- The futures have continued to move higher with price remaining 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 10,086 with the RSI at or below 63 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 9,856 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, we maintain a near-term upside target at USD 10,369 for this phase of the cycle. However, the move higher has resulted in the higher timeframe wave 3 extended, implying downside moves should be considered as countertrend at this point. The MA on the RSI indicates that momentum remains supported with price above both the daily and weekly pivot levels (USD 10,086 – USD 9,875). The RSI is still in divergence, which will need to be monitored.

Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,578		RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA support band (Black EMA's)
- RSI is below 50 (49)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,576
- Unchanged on the technical yesterday, the futures were moving sideways due to the 1-hour divergence with the RSI. The MA on the RSI implied that momentum was still weak; however, the average was starting to flatten, meaning we were seeing a slowdown in sell side momentum. Due to the divergence, we remained cautious on downside moves at these levels. The futures were below the daily and weekly pivot levels, if we closed on the daily chart above USD 2,604 it would suggest that buy-side pressure was increasing, warning the USD 2,642 resistance could be tested and broken.
- The futures had another small test to the downside, but the move has failed to hold. We remain in the EMA support band with the RSI near neutral at 49, intraday price and momentum are aligned to the buy-side.
- A close on the 4-hour candle below USD 2,576 with the RSI at or below 46.5 will mean price and momentum are aligned to the sell 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. Likewise, upside moves that fail at or below USD 2,638 will leave the futures vulnerable to further tests to the downside, above this level, the USD 2,688 fractal resistance could be tested.
- Unchanged again today. We remain technically bullish with downside moves struggling to hold due to the 1-hour divergence in play, implying caution on moves lower. A close on the daily chart above the weekly pivot level (USD 2,604) will imply that buy-side pressure is increasing, warning the USD 2,638 resistance could be tested and broken.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,910	R1	3,008	RSI above 50	Stochastic overbought
S2	2,867	R2	3,090		
S3	2,835	R3	3,195		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (61)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,910
- Technically bullish yesterday, the futures were in divergence with price and momentum conflicting, implying caution on upside moves. However, we were above the weekly pivot level (USD 2,835), meaning the futures continue to see buy-side support (based on price). A close below this level on the daily chart would indicate that sell-side pressure was increasing. We were a cautious bull due to the divergence; our intraday Elliott wave analysis continued to suggest that we had the potential to trade as high as USD 3,008 within that phase of the cycle. Like copper, we looked to be on wave 5 of a higher timeframe Elliott wave 3.
- The futures continued to move higher; we remained 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 2,910 with the RSI at or below 57 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,867 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, our intraday Elliott wave analysis continues to suggest that we have a potential upside target at USD 3,008 for this phase of the cycle. We remain in a longer-term divergence with the RSI, warning we could see a momentum slowdown (marked on chart); however, the upside move yesterday resulted in the RSI breaking near-term resistance (marked on chart as the lower line), this is suggesting that downside moves look like they will be countertrend in the near-term. We still look to be on an Elliott wave 5 of a higher time frame wave 3 at this point, but with copper extended its wave cycle yesterday, we are mindful that this cycle could also extend if it remains elevated for a protracted period.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	19,204	R1	19,260	RSI above 50	
S2	19,195	R2			
S3	18,685	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 19,204
- Technically bullish yesterday, the MA on the RSI was flat implying momentum was neutral with price trading on the weekly pivot level (USD 19,195). A close on the daily candle above this level would warn that buy-side pressure was increasing; likewise, a close below this level will indicate we were continuing to see sell-side pressure in the market. The move above USD 19,412 did suggest that the probability of the futures trading below USD 18,710 level had started to decrease, warning that the USD 19,775 resistance could now come under pressure. We maintained our view based on our intraday Elliott wave analysis that downside moves look like they could be countertrend at this point.
- The futures moved sideways yesterday with price remaining above the EMA support band. The RSI is above 50 but price and momentum are conflicting.
- A close on the 4-hour candle above USD 19,204 with the RSI at or above 60 will mean price and momentum are aligned to the buy-side; likewise, a close below this level will mean that it is aligned to the sell side. 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 with downside moves considered as countertrend. The futures closed below the weekly pivot point yesterday (19,195); however, the close was marginal. The MA on the RSI implies that momentum is neutral; however, price is holding above the EMA support band at this point. If we close above the USD 19,195 level it will warn us that buy-side pressure is increasing.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	2,220	2,227	RSI above 50	
S2	2,205			
S3	2,198			
	R1	2,236		
	R2	2,259		
	R3	2,294		

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 2,220
- Technically bullish yesterday, the new high meant that the futures were back in divergence with the RSI, not a sell signal it warned that we could see a momentum slowdown, which needed to be monitored. However, the futures had held above the weekly pivot level on the open (USD 2,198), implying we were seeing buy-side support in the market. A close on the daily candle below this level would warn that sell-side pressure was increasing. The new high implied that we had seen a wave extension, warning we had a potential upside target at USD 2,259 within this phase of the cycle. Due to the divergence in play, we remained cautious on upside moves.
- Having held above the weekly pivot level the futures found light bid support for the remainder of the session. We remain 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 2,220 with the RSI at or above 56.5 will mean price and momentum are aligned to the sell side.
- Unchanged on the technical today, we remain bullish with the potential to trade as high as USD 2,259 within this phase of the cycle. We continue to have a note of caution on moves higher due to the divergence in play at this point.

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