



Base Morning Technical Report

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Copper advanced for the first time in three days as the dollar weakened and Federal Reserve Chair Jerome Powell said it was unlikely that the next policy move would be an increase in interest rates.

Prices of the metal, which topped \$10,000 a ton for the first time in two years last week, increased as much as 0.8% in London on Thursday, while the dollar fell for a second day. Powell said officials would need to see “persuasive evidence” that policy isn’t sufficiently tight to cut inflation to their 2% target to consider raising rates again. He avoided offering a timeline for cuts.

The red metal, widely used in everything from power grids to factories and homes, has rallied 16% this year on expectations that the world’s mines will struggle to meet a looming wave of demand from green industries. Millions of tons of new supply are seen required in coming years for electric vehicles, renewable energy and vastly expanded grids.

Copper was up 0.5% at \$9,943 a ton on the London Metal Exchange by 12:07 p.m. in Singapore. Most metals advanced, led by a 1.6% gain for tin. While tin has retreated from a 22-month high in April, prices are still up more than 20% since the start of the year, driven by increasing use in technology and supply issues. (Bloomberg)

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,900	R1	9,949	RSI above 50	
S2	9,856	R2			
S3	9,660	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (53)
- Stochastic is oversold
- Price is below the daily pivot point USD 9,900
- Technically bullish but in a corrective phase yesterday, the pullback was not deep enough (based on higher timeframe oscillators) to confirm that we had entered a higher timeframe Elliott wave 4. Momentum was conflicting, as the MA on the RSI warned of weakness; however, the RSI was above 50 whilst the stochastic was oversold, implying we could move higher in the near-term. If the RSI went below 50, then the stochastic would be considered as less relevant. A close on the daily candle below USD 9,875 would imply that sell side pressure was increasing, whilst a move below USD 9,856 would imply that the probability of the futures trading to a new high within this phase of the cycle had started to decrease (this would be an early warning that we are potentially in a wave 4; however, we would still need confirmation from the oscillators). Although momentum was conflicting, the RSI had broken support, which suggested that resistance levels could hold if tested. There were warning signs that we could be entering a higher timeframe corrective phase, but we needed confirmation. If it was, then USD 9,626 would be the key support to follow.
- The futures traded to a low of USD 9,851 before finding light bid support to close back above the weekly pivot level. We have moved higher on the open, meaning we are above the EMA support band with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 9,900 with the RSI at or above 59.5 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. Upside moves that fail at or below USD 10,086 will leave the futures vulnerable to further tests to the downside, above the level the technical will be back in bullish territory.
- Technically bullish but with a neutral bias due to the depth of the pullback. Momentum continued to conflict, as the MA on the RSI is implying weakness, but the RSI is above 50 whilst the stochastic is oversold. As noted yesterday, the break in RSI support is warning that resistance levels could hold if tested. The probability of the futures trading to a new high has now started to decrease; however, the higher timeframe Elliott wave cycle is yet to confirm that this is a countertrend wave 4 at this point. Note: current timeframe for relevant wave cycle is on a 579 min candle.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	2,576	R1	2,588	RSI above 50	Stochastic overbought	
S2	2,502	R2				2,638
S3	2,429	R3				2,728

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (51)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,576
- Technically bullish yesterday, the futures remained supported with the MA on the RSI acting as a support (to the RSI). If we closed on the daily candle above USD 2,604, it would imply buy-side pressure was increasing, warning that the USD 2,638 resistance could come under pressure. If rejected, it would suggest that the corrective phase could become a more complex one; likewise, if resistance was broken, we would target the USD 2,688 and USD 2,728 fractal resistance levels. Based on our Elliott wave analysis, we maintained our view that downside moves look like they could be countertrend at this point.
- The futures remain in consolidation with price just above the EMA support band. The RSI is near neutral at 50 with price and momentum aligned to the buy-side.
- A close on the 4-hour candle below USD 2,576 with the RSI at or below 48 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, we maintain our view based on Elliott wave analysis that downside moves look like they could be countertrend. However, the futures are in consolidation with the EMA band flat, implying we lack directional bias. Price action is currently neutral.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,870	R1	2,974	RSI above 50	Stochastic is oversold
S2	2,846	R2	3,008		
S3	2,835	R3	3,090		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (52)
- Stochastic is oversold
- Price is above the daily pivot point USD 2,870
- Technically bullish, with a neutral bias yesterday. The RSI high on the 03/04 had suggested that downside moves had the potential to be countertrend in the near-term. However, the pullback on the Nyrstar news previously resulted in the 2,867 support being broken, warning that the probability of the futures trading to a new high had started to decrease, meaning we could be entering a higher timeframe Elliott wave 4. We noted that we had held above the weekly pivot level, so there was a chance it is just near-term reaction, but it did suggest caution on upside moves.
- The futures held the lower EMA support band resulting in the futures moving above the upper band this morning, the RSI is above 50 with price and momentum now conflicting.
- A close on the 4-hour candle above USD 2,870 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.
- Technically bullish with a neutral bias, momentum is now conflicting. The MA on the RSI is warning of weakness, but the RSI is above 50 whilst the stochastic is oversold, implying we move higher. We have a neutral view on the technical at this point, as we were expecting one more test to the upside; however, the Nyrstar news has brought this into question. If we do trade above the USD 2,974 fractal high, then the futures will be in divergence with the RSI, suggesting caution on upside breakouts.

Nickel Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	18,910	Stochastic oversold	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 (47)
- Stochastic is oversold
- Price is below the daily pivot point USD 18,968
- Unchanged on the technical yesterday, we were trading around and closing around the weekly pivot level without any form of definitive move above/below it. The MA on the RSI implied that momentum was weakening; however, based on our intraday Elliott wave analysis, downside moves looked like they could be countertrend at this point.
- The futures sold lower on the momentum weakness before finding light bid support into the close. We are trading between 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 18,968 with the RSI at or above 54 will mean price and momentum are aligned to the buy 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 but in a corrective phase. The MA on the RSI continues to warn that momentum is weak, whilst price is moving away from the weekly pivot level (USD 19,245), indicating that sell side pressure is increasing. If we trade below the USD 18,336 support, then the probability of the futures trading to a new high will start to decrease; however, our intraday Elliott wave analysis is suggesting that downside moves look to be countertrend at this point.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,141	R1	2,178.5	RSI below 50	Stochastic oversold
S2	2,120	R2			
S3	2,080	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (44)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,189
- Technically bullish yesterday, the MA on the RSI was starting to move lower alongside price, indicating momentum weakness. A close on the daily candle below the weekly pivot level (USD 2,198) would imply that sell side pressure was increasing. We maintained a cautious view on upside moves.
- The futures sold lower on the momentum weakness, resulting in 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 2,189 with the RSI at or above 54 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 2,080 will warn that there is potentially a larger bullish Elliott wave cycle in play.
- Technically bullish but with a neutral bias, the probability of the futures trading to a new high has now started to decrease, whilst a move below USD 2,141 will mean that the intraday technical is bearish. We have closed below the weekly pivot level (USD 2,198) implying that sell side momentum is increasing having moved lower on the back of a negative divergence with the RSI, suggesting support levels are vulnerable.

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