



Base Morning Technical Report

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Cu

The world is going to need a lot more copper to power everything from electric vehicles to updated grids and datacenters. At the same time, getting new mines online is an extremely slow process, one that's made all the more difficult by political and environmental concerns.

The mismatch between rapidly-growing demand and sluggish supply has already helped push copper prices to more than \$10,000 a ton in London trading this week.

But according to commodities veteran Jeff Currie, the metal still has more room to run. In a new episode of the Odd Lots podcast, the chief strategy officer of the energy pathways team at Carlyle Group Inc, says long copper represents "the most compelling trade I have ever seen in my 30-plus years of doing this." (Bloomberg)

Ni

Nickel jumped more than 5% — the most in a month — as unrest in New Caledonia raised concerns about further disruption to supplies from the French territory.

The South Pacific archipelago, which was the world's third-biggest producer of the electric vehicle battery metal last year, has been wracked by violent protests this week due to a change in voting rules. That's disrupted output from French miner Eramet SA, which is running its local unit at minimum capacity.

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	10,385	R1	10,515	RSI above 50	
S2	10,259	R2			
S3	10,175	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (69)
- Stochastic is above 50
- Price is above the daily pivot point USD 10,385
- Technically bullish with price testing its highs yesterday, we were still in divergence on both the RSI and stochastic. Not a sell signal, it warned that we had the potential to see a momentum slowdown. The MA on the RSI indicated that momentum was neutral, whilst the longer - term Elliott wave cycle continued to suggest that downside moves should be considered as countertrend. Having seen the move to new highs that we highlighted yesterday, we were a cautious bull at these levels.
- The futures continue to move higher with price 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 10,385 with the RSI at or below 61.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or below USD 10,061 will support a near-term bull argument, below this level the technical will have a neutral bias (based on price). However, the longer-term Elliott wave support is at USD 9,403, the cycle is bullish above this level and neutral below.
- Technically bullish, we remain within the wave 3 extension, meaning downside moves should be considered as countertrend. The MA on the RSI has started to move higher this morning, implying we are seeing light momentum support; however, the futures remain in divergence with the RSI, not a sell signal, it is a warning that we could see a momentum slowdown, and needs to be monitored. We have seen the futures open above the daily pivot and push higher; if we reject the upside and close below the USD 10,385 level, it will warn that the Fibonacci support zone could come under pressure.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,592	R1	2,612.5	RSI above 50	Stochastic overbought
S2	2,546	R2			
S3	2,510	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA Support band (Black EMA's)
- RSI is above 50 (59)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,592
- Technically bullish yesterday, the MA on the RSI indicated that momentum was supported with the RSI making new highs, suggesting downside moves look like they could be countertrend. The futures were now testing the USD 2,626 resistance; if broken, it would further support a buyer's argument, warning that the USD 2,688 fractal high will start to look vulnerable.
- The futures breached the USD 2,626 resistance yesterday by 1 dollar before entering into a corrective phase. The downside move has held at the EMA support band resulting in price moving higher, we are now trading back at yesterday's levels. The RSI is above 50 with price and momentum aligned to the buyside.
- A close on the 4-hour candle below USD 2,592 with the RSI at or below 55 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,440 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the breach in resistance yesterday means that the probability of the futures trading to a new low has started to decrease. The MA on the RSI is implying we have momentum support, meaning that USD 2,627 high from yesterday is looking vulnerable. We do now have conflict on this technical, we have broken key resistance with the RSI making a new high on the 16/4, suggesting downside moves should be considered as countertrend. However, the sell off yesterday created a sharp drop in the RSI, meaning a new high will create a negative divergence. Not a sell signal, it means we are now more cautious on moves higher (despite the resistance break), as the technical is warning we could see a momentum slowdown.

Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,970	RSI above 50	
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above (52)
- Stochastic is oversold
- Price is above the daily pivot point USD 2,969
- Technically bullish yesterday, the MA on the RSI was flat, implying momentum was neutral. The downside move in the futures broke RSI support, warning upside moves could now struggle to hold, the futures remained in divergence. Not a sell signal it warned that we could see a momentum slowdown which will need to be monitored. We maintained a cautious view on upside moves, with the futures producing a rejection candle on the daily chart. We noted that a move below USD 2,858 would imply that the probability of the futures trading to a new high within this phase of the cycle will start to decrease.
- The futures sold lower yesterday, before finding light bid support in the Asian day session, we remain 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 2,969 with the RSI at or above 57.5 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.
- Technically bullish yesterday, the MA on the RSI is warning that momentum remains weak, whilst the RSI low previously is warning that upside moves could struggle to hold. We maintain a cautious view on upside moves at this point, as the move lower is on the back of a negative divergence with the RSI.

Nickel Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	20,770	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 (78)
- Stochastic is overbought
- Price is above the daily pivot point USD 19,800
- Technically bullish yesterday, the MA on the RSI indicated that momentum was supported with price above both the weekly and daily pivot levels. The upside move above USD 19,505 implied that buy-side pressure was increasing, warning the USD 19,775 fractal high could be tested and broken.
- The futures have seen a strong move higher with price 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 19,800 with the RSI at or below 61 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 19,414 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI is implying that momentum is supported at this point. Both price and the RSI are making new highs, suggesting that downside moves should now be considered as countertrend, making USD 19,414 the key support to follow. If broken, then 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	2,283	R1	2,294	RSI above 50	Stochastic overbought
S2	2,251	R2	2,337		
S3	2,215	R3	2,392		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (59)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,283
- Technically bullish yesterday, the RSI had broken resistance previously, warning downside moves could be countertrend in the near-term. However, when looking at time and price, our oscillator remained in divergence. Corrective moves that traded below USD 2,213 would warn that the probability of the futures trading to a new high would start to decrease. We maintained a cautious view on upside moves.
- The futures traded to a new high but have now seen a small move lower. 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 2,283 with the RSI at or above 65 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 2,215 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the new high yesterday means we are in divergence with the RSI, not a sell signal, it is a warning that we could see a momentum slowdown, implying we are becoming vulnerable to a technical pullback. The MA on the RSI is flat, but the RSI is below and has rejected its average, supporting the negative divergence.

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