



# Base Morning Technical Report

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Cu

Hedge fund manager Pierre Andurand expects the price of copper to almost quadruple to \$40,000 a ton in the next few years as soaring demand causes global stockpiles of the red metal to run low. (Bloomberg/FT)

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	10,359	R1	10,432	Stochastic oversold	RSI below 50	
S2	10,256	R2				10,551
S3	10,094	R3				10,657

## Synopsis - Intraday

Source Bloomberg

- Price is between the EMA support band (Black EMA's)
- The RSI below 50 (48)
- Stochastic is oversold
- Price is above the daily pivot point USD 10,359
- Technically bullish but in a corrective phase yesterday, the MA on the RSI warned that momentum was weak, whilst the close below the weekly pivot implied that sell side pressure was increasing. However, there had been little follow through in the Asian day session with candle sizes decreasing, implying a lack of sell side intensity yesterday morning. If we did trade below the USD 10,256 support, then the probability of the futures trading to a new high within this phase of the cycle would start to decrease. Likewise, if we started to close above USD 10,422, it will warn that we could see the weekly and daily pivot points be tested.
- The futures had another small push lower on the EU open, resulting in the USD 10,256 support being breached, the technical now has a neutral bias. Price is trading in the EMA support band with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 10,359 with the RSI at or above 52.5 will mean price and momentum are aligned to the buyside; likewise, a close below this level will mean it is aligned to the sell side. Downside moves that hold at or above USD 9,567 will support a longer-term bullish Elliott wave cycle. Upside moves that fail at or below USD 10,800 will leave the futures vulnerable to further tests to the downside.
- Technically bullish, we now have a neutral bias based on the depth of the pullback, the probability of the futures trading to a new high within this phase of the cycle has started to decrease. The MA on the RSI is warning that momentum remains weak, but the RSI is now approaching the average, if price and momentum become aligned to the buyside we could see resistance levels come under pressure. An intraday bullish rejection candle has been countered by a bearish rejection candle, implying price action is neutral until we see a breakout from the USD 10,210 – USD 10,508 range that has been set.

# Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,615	R1	2,623.5	RSI 50	Stochastic oversold
S2	2,595	R2			
S3	2,586.5	R3			

Source Bloomberg

### Synopsis - Intraday

- Price is between the EMA Support band (Black EMA's)
- RSI is at 50 (50)
- Stochastic is oversold
- Price is above the daily pivot point USD 2,615
- Technically we remained bullish yesterday, the MA on the RSI indicated that momentum was weak. We had seen a mean reversion back to the EMA support band but were holding above key support. Momentum warned that the USD 2,595 level was vulnerable, if broken, then the probability of the futures trading to a new high would start to decrease. Intraday Elliott wave analysis had suggested that downside moves look to be countertrend, if we closed on the 4-hour candle above USD 2,644 it would warn the Futures could test the and break the daily pivot level. This technical is at a key support, for the Elliott wave cycle to stay in bullish territory, we need to hold the USD 2,595 level.
- The futures had another small test to the downside, resulting in the USD 2,595 level being broken, the technical now has a neutral bias. We have since seen light bid support, meaning we are trading in the EMA band with the RSI neutral at 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,615 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. Upside moves that fail at or below USD 2,704 will leave the futures vulnerable to further tests to the downside, above this level the technical will be back in bullish territory.
- Technically bullish but with a neutral bias, the probability of the futures trading to a new high have now started to decrease. The RSI is neutral at 50 whilst the MA on the RSI is warning that momentum is weak; however, if the RSI holds above 50 whilst the stochastic is oversold, then the MA on the RSI could come under pressure, as it warns we could move higher (momentum is conflicting). The downside move has created an intraday bullish rejection candle off the weekly pivot level and a resistance area that formed in May. We are neutral due to the pullback, but the candlesticks and technical support are warning that we could see a move higher in the near-term.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,050	R1	3,078.5	Stochastic oversold	
S2	3,021	R2			
S3	2,971	R3			

**Synopsis - Intraday**

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (54)
- Stochastic is oversold
- Price is above the daily pivot point USD 3,050
- Technically bullish but in a corrective phase yesterday, the MA on the RSI warned that momentum was weak; however, the RSI was neutral at 50 with the stochastic oversold. If the RSI held above 50, then we would be vulnerable to a move higher, momentum was conflicting because of this. Based on the near-term divergence failing yesterday, there is still a chance that we could trade back to new highs. However, be aware that there is still a longer-term divergence in play. If we did trade below USD 2,903 it will suggest that the lower timeframe wave cycle could fail.
- The RSI held yesterday resulting in the futures moving higher. 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 3,050 with the RSI at or above 57 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 2,903 will support a bull argument, below this level the technical will have a neutral bias. Upside moves that fail at or below USD 3,125 will leave the futures vulnerable to further tests to the downside.
- A bullish engulfing pattern in the EMA support band, that held above the weekly pivot level resulted in the futures producing a daily Doji candle. This implies indecision on the higher timeframe within the corrective move lower. If we trade above and hold above the USD 3,088 high from yesterday (an intraday bearish rejection candle), it will warn that resistance levels could come under pressure. The MA on the RSI is warning that momentum remains weak; however, the RSI is testing its average. If price and momentum become aligned to the buy side, it will further support a buyer's argument. Caution on downside moves that close below the low of the engulfing candle (USD 3,011.5), as it would suggest sell side pressure is increasing.
- Just to highlight, the circle on the 12/04/24 seems to be a data change, as the high has been moved lower. No idea why, but if you look at me previous charts, it is different!

# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	20,120	R1	20,290	Stochastic oversold	RSI below 50
S2	19,855	R2			
S3	19,618	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is between the EMA support band (Black EMA's)
- RSI is below 50 (49)
- Stochastic is oversold
- Price is above the daily pivot point USD 20,120
- Technically bullish yesterday, the MA on the RSI continues to warn that momentum was weak, meaning the USD 19,618 support was vulnerable. If broken, then the probability of the futures trading to a new high would start to decrease. If the 4-hour candle closed above USD 20,249, it would warn that buy-side pressure was increasing, meaning we could test the daily pivot at USD 20,640. Intraday Elliott wave analysis did suggest that moves lower look to be countertrend.
- The futures held key support yesterday resulting in the futures seeing a small move higher in the Asian day session. We are in the EMA support band with the RSI near neutral at 49, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 20,120 with the RSI at or above 55 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 19,618 will support a bull argument, below this level the technical will have a neutral bias. Upside moves that fail at or below USD 21,105 will leave the futures vulnerable to further tests to the downside.
- Technically bullish, the futures are moving higher on the intraday bullish rejection candle with price rolling over to the buy-side (rounded bottom), warning resistance levels are starting to look vulnerable in the near-term. If we close on the 4-hour candle above the weekly pivot level (USD 20,438) it will further support a buyer's argument (4-hour rather than daily, as it is a Friday meaning the weekly pivot will change on Monday). The MA on the RSI is warning that momentum remains weak at this point, meaning we will need to see further upside for the averages to start to flatten to support a longer-term move higher. Caution on downside moves that close below the low of the intraday rejection candle (USD 19,855), as it will warn that sell side pressure is increasing. Intraday Elliott wave analysis does suggest that moves lower look like they could be countertrend, making USD 19,618 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	R1	2,297.5	Stochastic oversold	
S2	R2			
S3	R3			

## Synopsis - Intraday

Source Bloomberg

- Technically bullish but in a corrective phase yesterday, the MA on the RSI warned of momentum weakness. The longer-term technical remained in divergence; however, we maintained our view that downside moves look to be countertrend in the near-term, due to the RSI break previously. If we did trade below the USD 2,233 support, then the probability of the futures trading to a new high would start to decrease.
- The Futures sold to a low of USD 2,265 before finding light bid support off the weekly pivot (USD 2,275). We are in the EMA support band with the RSI neutral at 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,292 with the RSI at or above 56.5 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 2,233 will support a bull argument, below this level the technical will have a neutral bias. Upside moves that fail at or below USD 2,326 will leave the futures vulnerable to further tests to the downside.
- Technically bullish but in a corrective phase, the upside move into the close yesterday was struggling to hold (as highlighted by the candle wicks in the red circle). We also note that we are yet to close on a 4-hour candle above the high of the last dominant bear candle (USD 2,309), both these signals are warning that we remain vulnerable to another move lower at this point. If we do close above the USD 2,309 level, it will signal that buy side pressure is increasing, which will leave resistance levels vulnerable. As noted yesterday, the upside move previously had created a negative divergence with the RSI; not a sell signal, it warns that we could see a momentum slowdown which needs to be monitored. However, as noted on Tuesday, corrective moves lower continued to look like they could be countertrend in the near-term. Near-term price action suggests that we remain vulnerable to another move lower at this point.

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