



# Base Morning Technical Report

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China

FITCH EXPECTS CHINA'S NEW HOME SALES VALUE TO DROP BY 15%-20% (Bloomberg).

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,877	R1	9,973.5	Stochastic oversold	RSI below 50
S2	9,778	R2			
S3	9,654	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- The RSI below 50 (37)
- Stochastic is oversold
- Price is below the daily pivot point USD 10,032
- Technically bearish based on price yesterday, the MA on the RSI warned that we had light momentum support. However, the futures had traded above but were in the process of rejecting the weekly pivot level (USD 10,221), meaning we remained vulnerable to further tests to the downside in the near-term. A close on the daily chart above this level would indicate that buy-side pressure was increasing, warning the USD 10,405 resistance could be tested and broken, if it was, then the probability of the futures trading to a new low would start to decrease. We remained cautious on downside moves due to the potential divergence below USD 10,020. There were conflicts on this technical, lower timeframe wave analysis is warning we would move higher, supported by price and momentum being aligned to the buy-side. We noted that we needed to hold the daily pivot and close above the weekly to support confirm that we have buy-side support.
- The futures failed to hold yesterday resulting in a small downside extension to the Elliott wave cycle. We are below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 10,032 with the RSI at or above 41.5 will mean price and momentum are aligned to the buy-side. Upside moves that fail at or below USD 10,127 will leave the futures vulnerable to further tests to the downside, above the level the technical will have a neutral bias.
- Technically bearish, the move lower yesterday has resulted in the 4-hour divergence failing; however, the 1-hour remains in divergence. Not a buy signal, it continues to warn that we could see a momentum slowdown which needs to be monitored. The MA on the RSI is flat, implying momentum is neutral, but price is just below the 200-period MA (USD9,993). A close above that holds above the average will warn that resistance levels could come under pressure. We maintain a cautious view on downside moves at these levels.

# Aluminium Morning Technical (4-hour)



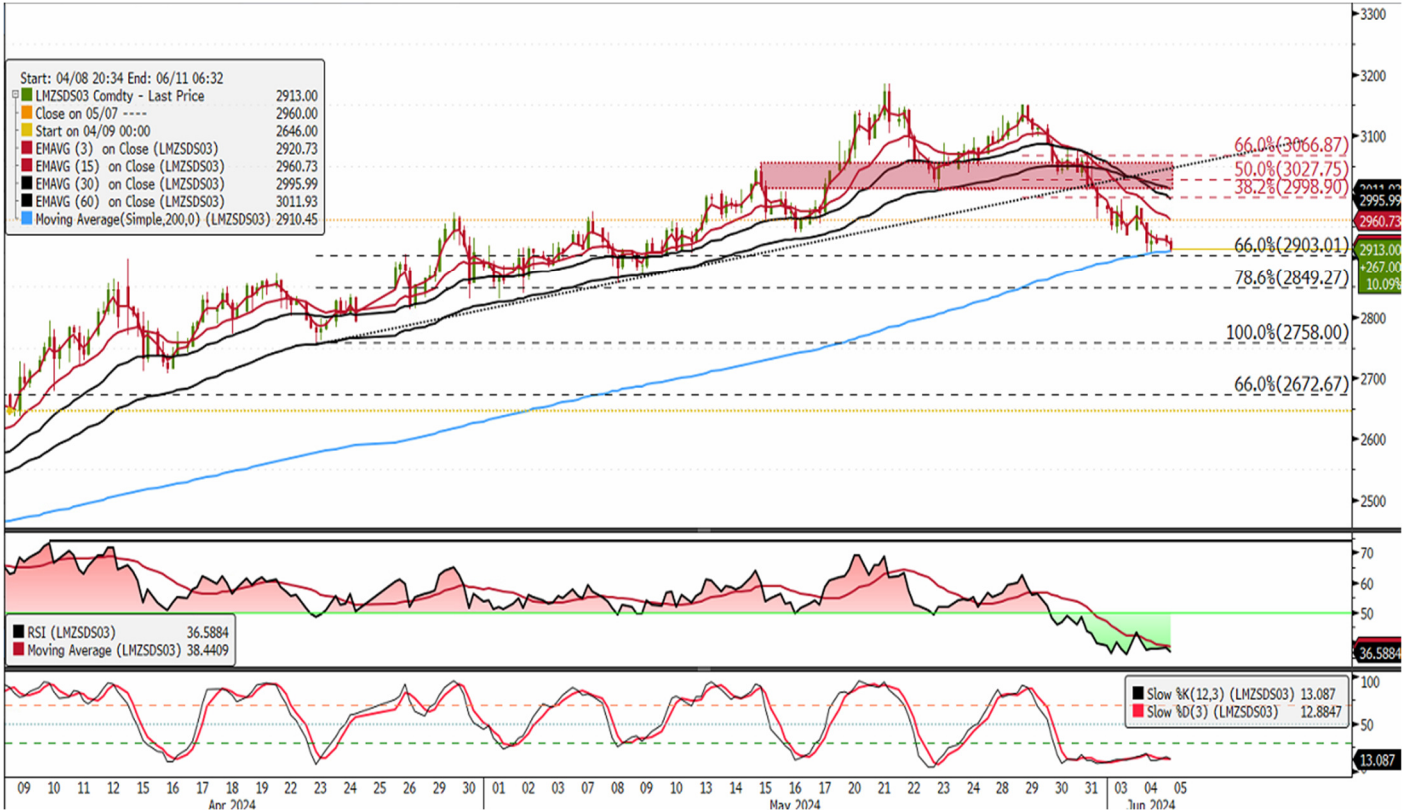
	Support	Resistance	Current Price	Bull	Bear
S1	2,631	R1	2,649	Stochastic oversold	RSI below 50
S2	2,621	R2			
S3	2,586	R3			

Source Bloomberg

## Synopsis - Intraday

- 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 2,661
- We remained bullish with a neutral bias yesterday, the MA on the RSI was flat, indicating sell side pressure was decreasing. A close on the 4-hour candle above the high of the last dominant bear candle (USD 2,690) would warn that buyside pressure is increasing, leaving the USD 2,703 resistance vulnerable. If broken, we target the USD 2,737 fractal resistance. Like the previous day, we are cautious on moves below USD 2,637.5 as it would put price into the support areas highlighted on the chart.
- The futures failed to close above the USD 2,690 level yesterday resulting in price trading to a low of USD 2,635 before finding light bid support. We have seen a small move lower on the open, due to price being below the daily pivot level. We are below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,661 with the RSI at or above 49 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,743 will leave the futures vulnerable to further tests to the downside, above this level the USD 2,737 fractal resistance will start to look vulnerable.
- Technically bullish with a neutral bias, the MA on the RSI is warning of light momentum weakness; however, the new low yesterday means we have a positive divergence on the 1-hour chart. Not a buy signal, it is a warning that we have the potential to see a momentum slowdown, which needs to be monitored, as price is in the support zone highlighted on the chart. Note: the futures initially sold lower on a negative divergence with the RSI, on what looks to be a wave 5 of an extended wave 3, suggesting we could be in the early stages of a higher timeframe corrective wave 4 (not yet confirmed). The deep pullback is warning that the probability of the futures trading to a new high within this phase of the cycle has started to decrease, making USD 2,743 the key resistance to follow. We are vulnerable to a move higher in the near-term due to the divergence and support zone, but the wave cycle is suggesting that any move higher could be countertrend in the near-term. We also highlight the weekly candle chart that is showing two consecutive upside rejections, indicating sell side pressure at higher levels.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,903	R1	2,941	Stochastic oversold	RSI below 50
S2	2,849	R2	2,998		
S3	2,758	R3	3,027		

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (36)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,941
- We remain bearish based on price yesterday; the intraday Elliott wave cycle was still in bullish territory. Lower timeframe Elliott wave analysis is warning that the USD 2,935 support remained vulnerable; however, like the previous day, we needed to see the futures close below and hold below the weekly 200-period MA (2,946) to signal downside continuation, failure to do so would warn that there was higher timeframe support in the market. In theory we should see another test to the downside, the weekly MA and the daily support band were in play, warning a move lower could struggle to hold if we see a downside breakout.
- The futures have move lower with price breaching the USD 2,903 support, meaning that the probability of the futures trading to a new high within this phase of the cycle has started to decrease. We are below all key moving averages with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,941 with the RSI at or above 40.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 3,066 will leave the futures vulnerable to further tests to the downside.
- The futures remain in a corrective phase with price testing the 200-period MA having breached key support. This is warning that we are in a higher timeframe corrective wave 4, making USD 3,066 the key resistance to follow. The wave cycle on the corrective move lower is a little unclear at this point, as it has the potential to extend to the downside, meaning we are cautious on upside moves in the near-term. We should note that the futures are currently in the daily EMA support band.



# Nickel Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	18,685	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

**Synopsis - Intraday**

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (27)
- Stochastic is oversold
- Price is below the daily pivot point USD 19,177
- Bullish with a neutral bias yesterday, the MA on the RSI was starting to flatten, implying sell side momentum was slowing down. The probability of the futures trading to a new high had started to decrease; However, we have Fibonacci and market profile support between USD 19,211 – USD 19,200 and the 200-period MA is also at USD 19,211. This would suggest caution on downside moves whilst above the support area, as we remained vulnerable to an intraday move higher in the near-term.
- The futures traded below the USD 19,200 market profile support, resulting in price moving lower. We are below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 19,177 with the RSI at or above 37 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 18,308 will support a longer-term bullish Elliott wave cycle, below this level the cycle will have a neutral bias. Upside moves that fail at or below USD 20,037 will leave the futures vulnerable to further tests to the downside.
- Technically bearish based on price, the wave cycle is bullish with a neutral bias, the MA on the RSI is warning that momentum remains weak. The RSI is making new lows, implying upside moves look like they could be countertrend in the near-term, making USD 20,037 the key resistance to follow.

# Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,226.5	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 (35)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,261
- Unchanged on the Technical yesterday. We remained bullish but in a corrective phase with price action still neutral, as we remained between the bullish/bearish rejection candles (highlighted in box USD 2,313 – USD 2,253). Like the previous day, we maintain a cautious view on downside moves due to the positive divergence in play.
- The futures have broken to the downside, resulting in the divergence failing. We are below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,261 with the RSI at or above 46 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,282 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- The downside moves means we have broken a fractal support, the technical is bearish based on price; the Elliott wave cycle is bullish but with a neutral bias, the probability of the futures trading to a new high withing this phase of the cycle has started to decrease. The futures are trading in the daily EMA support band, meaning we could see some buyside support at these levels; however, the divergence failure is suggesting that intraday upside moves should now be considered as countertrend, making USD 2,282 the key resistance to follow.

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