



Base Morning Technical Report

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

China

China notified underwriters of government bonds to re-submit their demand for an upcoming auction, which may be impacted by the central bank's plans to borrow securities, according to people familiar with the matter who asked not to be identified because they aren't authorized to speak publicly.

The request to offer fresh bids is rare, but has been issued in the past due to changes in the market or economic environments. China plans to sell 58 billion yuan of bonds in 30-year bonds in an auction on Friday.

The Ministry of Finance didn't immediately respond to a request for comment.

The People's Bank of China has been pushing back against China's bond rally for months and yields moved higher after it said Monday it will borrow securities from primary dealers, a sign it may be contemplating selling them to cool the market. Analysts said the move may put a floor on yields, which had hit record lows across the curve amid pessimism about the outlook for China's economy and hopes for interest-rate cuts. (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,618	R1	9,713.5	RSI above 50	Stochastic overbought
S2	9,600	R2			
S3	9,486	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- The RSI above 50 (54)
- Stochastic is overbought
- Price is above the daily pivot point USD 9,672
- We remained in bearish territory yesterday with the MA on the RSI implying that momentum was supported. The EMA band was starting to flatten, warning that we could potentially be about to exit a bearish trending environment. We had seen a daily close above the weekly pivot level (USD 9,600), implying buy-side pressure was increasing. We remained cautious on downside moves, as the USD 9,751 resistance was starting to look vulnerable, a close on the daily candle above the high of the last dominant bull candle (USD 9,722), would suggest that key resistance could be broken. If it was, then the probability of the futures trading at a new low would start to decrease.
- The futures traded to a high of USD 9,749.5 before selling lower into the close; however, we have opened with bid support this morning. We are above the EMA resistance band with the RSI above 50, intraday price and momentum are aligned to the buy-side.
- A close on the 4-hour candle below USD 9,672 with the RSI at or below 48 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 9,751 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, price is above the EMA resistance band, which is neutral; the MA on the RSI is indicating momentum is supported. This is suggesting that the USD 9,751 resistance is looking like it will be tested and broken, as the futures look to be exiting the bear trend for now. If it is, then the probability of the futures trading to a new high will start to decrease, above USD 9,889 the intraday technical is bullish.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,522	R1	2,532	RSI above 50	
S2	2,514	R2			
S3	2,470	R3			

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA Resistance band (Black EMA's)
- RSI is above 50 (55)
- Stochastic is below 50
- Price is above the daily pivot point USD 2,522
- A mixed technical yesterday, we remained bearish with the MA on the RSI implying momentum was supported. The EMA band was flat, meaning we were no longer in a trending environment; however, the upside move had rejected our USD 2,549 resistance previously, warning price action is weak. Countering this, the futures had closed on the daily candle above the weekly pivot level (USD 2,514). The close above the weekly pivot had been marginal but did warn that buy-side pressure was starting to increase. We were bearish, but we had a neutral view as the futures were not considered a technical sell but were yet to convince that they were ready for a move higher.
- The futures moved sideways for the session before moving higher this morning. We are above the EMA resistance band with the RSI above 50, intraday price and momentum are aligned to the buy-side.
- A close on the 4-hour candle below USD 2,522 with the RSI at or above 50.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,549 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias
- Technically bearish, the MA on the RSI is flat, as is the EMA resistance band, implying we lack directional bias, meaning the technical is neutral. The RSI is above 50 whilst the stochastic is showing a bullish cross just above 30, meaning there is the potential for bull momentum. If we trade above USD 2,549, then the probability of the futures trading to a new low will start to decrease.

Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,955	RSI above 50	
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (57)
- Stochastic is below 50
- Price is above the daily pivot point USD 2,929
- Technically bullish yesterday, the MA on the RSI implied that momentum was weakening with the MA acting as a resistance to the RSI previously. However, the futures had held the weekly pivot level (USD 2,921), indicating that there was an underlying support in the market, meaning we were seeing some conflicting signals. Price was holding EMA support, but momentum was weakening, implying upside moves could struggle to hold. As noted previously, USD 3,032 is the key resistance to follow.
- The futures sold lower but held the weekly pivot again (USD 2,921), resulting in price moving higher this morning. We are above the EMA resistance band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,929 with the RSI at or below 53 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 3,032 will warn that there could be a larger, bearish Elliott wave cycle in play. Likewise, downside moves that hold at or above USD 2,824 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the RSI is now crossing above its average having held the weekly pivot support for the second consecutive day, indicating that there is underlying support in the market. We do have the potential to create a negative divergence with the RSI above USD 2,993, this will need to be monitored in case it comes into play. If we trade above USD 3,032 then the probability of this upside move being a higher timeframe Elliott wave B will start to decrease.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	17,205	R1	17,240	Stochastic oversold	RSI below 50
S2	17,190	R2			
S3	16,965	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (47)
- Stochastic is oversold
- Price is above the daily pivot point USD 17,205
- Technically bearish yesterday, the MA on the RSI continued to suggest that momentum was supported. However, the 1-hour RSI was in divergence with price, not a sell signal it warned that buyside momentum could slow down. If price and momentum became aligned to the sell side, and the daily candle closes below the USD 17,190 level (weekly pivot), it will warn that the USD 16,965 fractal low will likely be tested and broken. Intraday Elliott wave analysis suggested that we had a potential downside target at USD 15,140 (based off the USD 17,500 high). However, a new low would create a positive divergence with the RSI, meaning we remained cautious on downside breakouts. We maintained our view that upside moves look like they could be countertrend.
- The futures broke to the downside with price trading to a low of USD 16,970. Having closed below the weekly pivot level, we have found light buyside support on the open, with price just above the USD 17,190 level. We are below the EMA resistance band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 17,205 with the RSI at or above 51.8 will mean price and momentum are aligned to the buyside side; likewise, a close below this level will mean it is aligned to the sell side. Upside moves that fail at or below USD 19,420 will leave the futures vulnerable to further tests to the downside.
- Technically bearish, the futures have failed to trade to a new low, meaning we maintain our view that upside moves still look like they could be countertrend. The MA on the RSI is flat, implying momentum is neutral. We continue to have a note of caution on downside breakouts due to the divergence that will come into play.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,217	RSI above 50	
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (54)
- Stochastic is below 50
- Price is above the daily pivot point USD 2,217
- Unchanged yesterday, we remained bearish with the MA on the RSI implying momentum was supported. As previously noted, we maintained a neutral view, as the futures were vulnerable to a move lower based on intraday Elliott wave analysis. However, the recent upside move was longer in time and higher in price, warning momentum was turning to the buy side.
- The futures traded down to but held the EMA support band, resulting in a small move higher this morning. The RSI is above 50 but price and momentum are now conflicting.
- A close on the 4-hour candle above USD 2,217 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 2,242 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. The USD 2,242 resistance is back in play due to the move below the USD 2,167 support.
- Technically bearish, momentum is conflicting, as the MA on the RSI is warning of light weakness. However, the RSI is above 50 whilst the stochastic is showing a bullish cross just above 50, warning we could move higher. Our technical view remains neutral, as intraday Elliott wave analysis is suggesting we could still see a move lower, but the recent upside move was longer in time and higher in price, warning momentum was turning to the buy side.

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