



Base Morning Technical Report

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

China

Copper may retest \$10,000/ton in coming weeks due to optimism over China stimulus being introduced at the Third Plenum meeting in mid July, Citigroup Inc. says.

Bank sees “greater” support through reforms of power grid investment, renewables from the policy meeting, analysts including Max Layton say in note

Grid obvious focus for further investment to avoid bottlenecks for renewable additions

More property measures, monetary easing also expected to support copper

Copper expected to rise further to \$12,000/ton by 2025 due to “onset of rate cuts”

NOTE: Copper was trading at \$9,823.50/ton as of 1:46 p.m. Singapore time Thursday (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,803	R1	9,907	RSI above 50	Stochastic overbought
S2	9,766	R2	9,979		
S3	9,721	R3	10,023		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- The RSI above 50 (59)
- Stochastic is overbought
- Price is above the daily pivot point USD 9,803
- Technically bearish yesterday, price was above the EMA resistance band, which was neutral; the MA on the RSI indicated momentum was supported. This suggested that the USD 9,751 resistance was looking like it would be tested and broken, as the futures looked to be exiting the bear trend. If it was, then the probability of the futures trading to a new low would start to decrease, above USD 9,889 the intraday technical would be bullish.
- The futures continued to move higher with price trading above the USD 9,889 resistance, meaning the technical is now bullish. We are above all key moving averages with the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 9,803 with the RSI at or below 53 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 9,660 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI is indicating momentum is supported. The current upside wave is greater than 161.8% than that of the previous wave, confirming it is bullish impulse, meaning downside moves are now considered as countertrend. However, if we do trade below the USD 9,660 level, then the pullback will be considered as deep, meaning that the probability of the futures trading to a new high will have started to decrease.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,541	R1	2,542.5	RSI above 50	Stochastic overbought
S2	2,514	R2			
S3	2,501	R3			

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA Resistance band (Black EMA's)
- RSI is above 50 (55)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,541
- Technically bearish yesterday, the MA on the RSI was flat, as was the EMA resistance band, implying we lacked directional bias, meaning the technical was neutral. The RSI was above 50 whilst the stochastic was showing a bullish cross just above 30, meaning there was the potential for bull momentum. If we traded above USD 2,549, then the probability of the futures trading to a new low would start to decrease.
- The futures moved higher on the bull momentum, resulting in the USD 2,549 resistance being breached. 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 2,541 with the RSI at or below 52 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,501 will support a near-term bull argument, below this level the technical will be back in bearish territory.
- Technically bearish, the MA on the RSI is implying that we have light momentum support. The upside move above USD 2,549 means that the probability of the futures trading to a new low has started to decrease. The EMA resistance band is still flat, indicating we lack of directional bias; however, the averages have started to converge, warning buy side pressure is increasing.

Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,983.5	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 (59)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,969
- Technically bullish yesterday, the RSI was crossing above its average having held the weekly pivot support for the second consecutive day, indicating that there was underlying support in the market. We did have the potential to create a negative divergence with the RSI above USD 2,993, which needed to be monitored in case it came into play. If we traded above USD 3,032 then the probability of this upside move being a higher timeframe Elliott wave B would start to decrease.
- The futures have moved higher having held above the weekly pivot level (USD 2,921), resulting in the futures trading to a new high. We are above all key moving averages with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,969 with the RSI at or below 54 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 2,828 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the new high means that the futures are now in divergence with the RSI, not a sell signal, it is a warning that we could see a momentum slowdown which will need to be monitored. Price action is bullish having held above the weekly pivot level, whilst the EMA band is starting to move higher; however, due to the divergence, we are now cautious on upside moves at these levels. If we do trade above USD 3,032, then the probability of the futures trading to a new low will start to decrease.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	17,190	R1	17,348		
S2	16,965	R2	18,386		RSI below 50
S3	16,034	R3	18,825		

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is below 50 (48)
- Stochastic is above 50
- Price is below the daily pivot point USD 17,348
- Technically bearish yesterday, the futures had 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 was flat, implying momentum was neutral. We continued to have a note of caution on downside breakouts due to the divergence that would come into play.
- The futures had a small move higher, but price is rejecting the trend resistance line at this point. The RSI is below 50 with price between the EMA resistance band, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 17,348 with the RSI at or above 52.8 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 19,420 will leave the futures vulnerable to further tests to the downside.
- Unchanged on the technical, the MA on the RSI is flat, meaning momentum remains neutral, whilst intraday Elliott wave analysis continues to suggest that upside moves look like they could be countertrend.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	2,214	2,213	RSI above 50	
S2	2,202			
S3	2,167			
	R1	2,242		
	R2	2,263		
	R3	2,300		

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 on/below the daily pivot point USD 2,214
- Technically bearish yesterday, momentum was conflicting, as the MA on the RSI warned of light weakness. However, the RSI was above 50 whilst the stochastic was showing a bullish cross just above 30, implying we could move higher. Our technical view remained neutral, as intraday Elliott wave analysis suggested that 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 buyside.
- The futures have moved USD 2.00. We are above the EMA support band with RSI above 50, intraday price and momentum are conflicting, as the previous candle closed above the daily pivot level.
- A close on the 4-hour candle above USD 2,214 with the RSI at or above 56.5 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. 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, the MA on the RSI is implying that momentum remains weak. Upside moves above USD 2,238 have the potential to create a positive divergence with the RSI, indicating caution on upside breakouts above this level. We remain neutral, as intraday Elliott wave analysis suggested that 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 buyside.

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at freightinvestorservices.com