



Base Morning Technical Report

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

Cu

Copper steadied and iron ore declined as traders awaited the outcome of a Politburo meeting in China for guidance on stimulus.

The industrial commodities have tumbled this month, pressured by poor data from China, the top consumer. A pullback in artificial-intelligence equities — seen as a significant source of future copper demand — has also sapped sentiment.

So far, Beijing's measures to support growth have disappointed markets, despite the issuance of special debt that traders hope could signal more infrastructure spending. China's central bank unexpectedly cut two different interest rates last week, though that did little to boost metals.

Traders are awaiting the end of a meeting by the Politburo — possibly later this week — for any announcements on economic stimulus. Still, large-scale measures are not expected after a readout from a key policy meeting last week had little emphasis on the flagging housing market and domestic consumption. (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,101	R1 9,289	9,117	RSI below 50	Stochastic overbought
S2	8,991	R2 9,409			
S3	8,900	R3 9,572			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- The RSI below 50 (40)
- Stochastic overbought
- Price is above the daily pivot point USD 9,101
- Technically bearish on Friday, we had entered the lower timeframe Elliott wave 4, meaning the current upside move looked to be countertrend, making USD 9,572 the key resistance to follow. A move above this level would warn that the probability of the futures trading to a new low had started to decrease. The MA on the RSI implied that momentum was supported (in the near-term); if we saw an intraday pullback that held above USD 8,991, it would suggest that there could be further upside within the countertrend move. Having seen a strong rejection of the higher timeframe MA's previously, we are now finding light resistance at the intraday consolidation area from the 23rd-24th, meaning we could see intraday traders looking to see if the USD 8,991 support would hold.
- The futures are moving sideways with price below the EMA resistance band. The RSI is below 50 with intraday price and momentum aligned to the buy side.
- A close on the 4-hour candle below USD 9,101 with the RSI at or below 32 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 9,572 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Likewise, downside moves that hold at or above USD 8,991 will support a near-term bull argument.
- Unchanged on the technical this morning. We remain bearish, the MA on the RSI is implying that we have momentum support; however, our intraday Elliott wave analysis is indicating that upside moves look like they could be countertrend at this point. We are now consolidating in the intraday resistance area from the 23rd-24th. A move above that closes above the USD 9,163 level on the 4-hour candle will warn that the Fibonacci resistance zone could come under pressure in the near-term; likewise, downside moves below USD 8,991 will suggest that we could be in the early stages of a bearish impulse Elliott wave 5, meaning the USD 8,900 fractal low will start to look vulnerable.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,236	R1	2,276		RSI below 50
S2	2,172	R2			
S3	2,152	R3			

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (30)
- Stochastic is below 50
- Price is above the daily pivot point USD 2,283
- Technically bearish last week, the MA on the RSI implied that momentum was showing light bid support. Our intraday Elliott wave analysis implied that upside moves should be considered as countertrend in the near-term, whilst the futures had found light bid support on the open, due to the positive divergence in play. We remain cautious on downside moves at these levels, as the technical is suggesting that the futures are now vulnerable to an intraday move higher.
- The futures are consolidating with price moving sideways. We are below all key moving averages supported by the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 2,283 with the RSI at or below 26 will mean price and momentum are aligned to the sell side; Likewise, a close above this level will mean that it is aligned to the buy side. Upside moves that fail at or below USD 2,413 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the futures are consolidating. The MA on the RSI is implying that we have light momentum support; downside moves below USD 2,266 will create a positive divergence with the RSI, implying caution on moves below this level, in the near-term. However, our intraday Elliott wave analysis is indicating that upside moves look like they could be countertrend, making USD 2,413 the key resistance to follow. A move above this level will warn that the probability of the futures trading to a new low will start to decrease. Note; if we trade to a new low before moving higher, it will indicate that we are seeing a downside Elliott wave extension within the existing cycle, meaning upside moves should still be considered as countertrend.

Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,675		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 (38)
- Stochastic is below 50
- Price is above the daily pivot point USD 2,671
- Technically bearish with upside moves considered as countertrend last week, we had entered the corrective Elliott wave 4. The MA on the RSI warned that we had light momentum support, making USD 2,877 the key resistance to follow. A move above this level would that the probability of the futures trading to a new low would start to decrease. An intraday Doji in the Asian day session warned of indecision on the Market. If we close above its high on the 4-hour candle (USD 2,704), it will warn that the Fibonacci resistance could come under pressure in the near-term. Likewise, a close below it (USD 2,668) would suggest the USD 2,632.5 fractal low could be tested and broken.
- The futures have seen a small move lower with price closing below the low of the intraday Doji highlighted last week; however, the move lower has failed to trade below the USD 2,632.5 fractal low at this point. We are below all key moving averages with the RSI below 50, intraday price and momentum are conflicting, as the previous candle closed below the daily pivot level.
- A close on the 4-hour candle below USD 2,671 with the RSI at or below 31.5 will mean price and momentum are aligned to the sell side. Likewise, a close above this level will mean it is aligned to the buy side. Upside moves that fail at or below USD 2,877 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the downside moves failed to trade to a new low with the RSI finding support on its average; the MA is implying that momentum is supported, warning that the Fibonacci resistance zone could come under pressure in the near-term. However, intraday Elliott wave analysis continues to suggest that upside moves look like they will be countertrend, making USD 2,877 the key resistance to follow. A move above this level will warn that the probability of the futures trading to a new low has started to decrease. We are on a wave 4 of the Elliott wave cycle (countertrend move higher), if we trade below the USD 2,632.5 fractal low, it will confirm we have entered a bearish wave 5.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	15,831	R1	15,860		RSI below 50
S2	15,260	R2			
S3	14,624	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (38)
- Stochastic is at 50
- Price is above the daily pivot point USD 15,831
- Technically bearish in the last report, the MA on the RSI implied that momentum was supported. Our intraday Elliott wave analysis continued to suggest that upside moves looked like they could be countertrend; the move higher was not deep enough to confirm that it was the upside wave that we are looking for, implying there should in theory be further upside within this corrective move. We remained cautious on downside moves until we have confirmed that the move higher is an Elliott wave 4.
- We had a small test to the downside on Friday but failed to trade to a new low, price is finding light bid support on the open. We are below all key moving averages with the RSI below 50, intraday price and momentum are conflicting, as the previous candle closed below the daily pivot level.
- A close on the 4-hour candle below USD 15,831 with the RSI at or below 30.5 will mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is aligned to the buy side. Upside moves that fail at or below USD 16,920 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 implying that momentum is supported, warning that the Fibonacci resistance zone could come under pressure in the near-term. However, our intraday Elliott wave analysis continues to suggest that upside moves look like they could be countertrend, making USD 16,920 the key resistance to follow. A move above this level will warn that the probability of the futures trading to a new low has started to decrease. Note: we are still yet to confirm that we have entered an Elliott wave 4 on the lower timeframe (countertrend move higher), meaning we remain cautious on downside moves at this point.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,080.5		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 (46)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,063
- Unchanged on the technical on Friday. We remained bearish with intraday Elliott wave analysis suggesting that upside moves look like they would be countertrend, making USD 2,157 the key resistance to follow. A move above this level would warn that the probability of the futures trading to a new low had started to decrease. As previously noted, we remained cautious on downside moves at those levels.
- The futures have moved higher with price trading between the EMA resistance band. The RSI is below 50 with intraday price and momentum aligned to the buyside.
- A close on the 4-hour candle below USD 2,063 with the RSI at or below 34 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,157 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 implying that momentum is supported at this point, making USD 2,157 the key resistance to follow. A move above this level will warn that the probability of the futures trading to a new low will start to decrease. We have now entered an Elliott wave 4 on a lower timeframe (upside countertrend move).

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