



# Base Morning Technical Report

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

## China

China's exports grew for a fourth straight month, an uplift that's likely insufficient to spur the economy in the absence of stronger domestic spending.

Shipments abroad expanded 7% in July in dollar terms from a year earlier, while imports rose 7.2%, the customs administration said Wednesday. That left a trade surplus of \$84.65 billion for the month.

Economists surveyed by Bloomberg had forecast a 9.5% gain in exports and an increase of 3.2% for imports. The annual figures benefited from a low base of comparison in 2023 and more working days in the month compared with a year earlier.

The world's second-biggest economy is off to an underwhelming start to the third quarter after a steep slowdown, as weak domestic demand and a prolonged housing slump offset a boom in exports. The outlook for trade could meanwhile worsen as tensions ratchet up with Europe and the US over a surge of Chinese sales abroad. (Bloomberg).

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,772	R1	8,897		RSI below 50
S2	8,642	R2	8,946		
S3	8,457	R3	9,017		

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- The RSI above 50 (38)
- Stochastic is below 50
- Price is below the daily pivot point USD 8,897
- Technically bearish yesterday, the MA on the RSI indicated that momentum was weak; however, the futures were in divergence with the RSI. Not a buy signal, it warned that we had the potential to see a momentum slowdown, which needed to be monitored. Lower timeframe Elliott wave analysis suggested that intraday upside moves should be considered as countertrend in the very near-term, making USD 9,115 the key resistance to follow. Above this level, the probability of the futures trading to a new low would start to decrease. We were in divergence, but the USD 8,714 fractal low remained vulnerable. We were cautious on downside breakouts below this level.
- We had a small move higher yesterday; however, the futures are coming under pressure in the Asian day session. 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 8,897 with the RSI at or below 36.5 will mean price and momentum are aligned to the sell side. Likewise, a close above this level with the RSI at or above 41 will mean it is aligned to the buyside. Upside moves that fail at or below USD 9,115 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, our intraday Elliott wave analysis continues to suggest that upside moves should be considered as countertrend, making USD 9,115 the key resistance to follow. Above this level, the probability of the futures trading to a new low will start to decrease. The futures have created a small consolidation pattern in the form of a symmetrical triangle, this is a neutral pattern (it has both rising and declining trend lines); however, in theory, a breakout should happen in the direction of the larger trend. As noted yesterday, the futures are in divergence with the RSI, warning we could see a momentum slowdown, implying caution on downside breakouts below USD 8,714. Based on the Elliott wave analysis, we should break to the downside, but this is on a lower timeframe wave cycle, meaning downside moves could be limited from here.

# Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	2,227	R1	2,327	Stochastic overbought
S2	2,209	R2	2,349	
S3	2,152	R3	2,394	

Source Bloomberg

## Synopsis - Intraday

- Price is between the EMA resistance band (Black EMA's)
- RSI is at 50 (50)
- Stochastic is overbought
- Price is on the daily pivot point USD 2,281
- Technically bearish yesterday, the MA on the RSI indicated that we had light momentum weakness. The downside moves below USD 2,249 implied that the USD 2,209.5 fractal low was now vulnerable; however, below this level the futures would be divergence with the RSI. Not a buy signal it warned that we had the potential to see a momentum slowdown, which needed to be monitored. Near-term price action suggests we should move lower, intraday Elliott wave analysis continued to imply that upside moves should be considered as countertrend at this point.
- Having sold lower in the Asian day session the futures moved higher in the European day session, we are trading in the EMA resistance band with the RSI neutral at 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 2,281 with the RSI at or below 43.5 will mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is aligned to the buyside. Upside moves that fail at or below USD 2,394 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, implying momentum is neutral. Intraday Elliott wave analysis is suggesting that upside moves look like they should be countertrend, whilst price is now in the EMA resistance band. However, yesterday's close was above the weekly pivot level (USD 2,266), indicating buyside pressure is increasing. If we close below the low of the last dominant intraday bull candle (USD 2,277) it will indicate intraday price pressure is weakening, warning that the weekly pivot and fractal support (USD 2,227) could come under pressure. Buyside pressure is increasing, but we maintain our view that upside moves look to be countertrend.

# Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,571	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 (34)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,616
- Technically bearish on the last report, the MA on the RSI implied that we had light momentum weakness. The new low had created a positive divergence with the RSI, not a buy signal, it warned that we could see a momentum slowdown, which needed to be monitored. However, lower timeframe Elliott wave analysis implied that intraday upside moves should be considered as countertrend, making USD 2,669 the key resistance to follow. Above this level, the probability of the futures trading to a new low would start to decrease. The USD 2,563 fractal low remained vulnerable in the near-term: however, we are cautious on downside breakouts below this level.
- The futures sold lower with price now approaching the fractal support. 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 2,616 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 2,669 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 remains weak at this point. We are nearing the fractal low at USD 2,563, warning it could be tested and broken; however, the futures will be in divergence below this level, suggesting downside moves could be limited below this level.



# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	16,195	R1	16,265		Stochastic overbought
S2	16,006	R2			
S3	15,600	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is at 50 (50)
- Stochastic is overbought
- Price is below the daily pivot point USD 16,355
- Technically bearish previously, the MA on the RSI was starting to flatten, implying momentum was turning neutral. The downside move below USD 16,006 suggested that the USD 15,600 low was starting to look vulnerable. We maintained our view based on intraday Elliott wave analysis that upside moves looked like they should be considered as countertrend.
- The futures had a small move higher yesterday; however, we are selling lower on the open this morning. Price is between the EMA resistance band with the RSI neutral at 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 16,355 with the RSI at or below 49 will mean price and momentum are aligned to the sell side. Likewise, a close above this level with the RSI at or above 53.5 will mean it is aligned to the buy side. Upside moves that fail at or below USD 16,494 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish with upside moves considered as countertrend based on lower timeframe Elliott wave analysis. The EMA band is flat, implying we lack directional bias, whilst momentum is neutral. We should in theory see one more test to the downside based on the wave analysis; however, if we trade above USD 16,494, then the probability of the futures trading to a new low will start to decrease.

# Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	1,926	R1	1,944.5	Stochastic oversold	RSI below 50
S2	1,876	R2			
S3	1,813	R3			

Source Bloomberg

## Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (33)
- Stochastic is oversold
- Price is below the daily pivot point USD 1,951
- Technically bearish yesterday, the MA on the RSI indicated that momentum remained weak. The futures were still in divergence with the RSI, not a buy signal it warned that we could see a momentum slowdown, which needed to be monitored. However, the downside move previously had created a bearish Elliott wave extension, implying upside moves should be considered as countertrend. We are seeing a rejection of the downside yesterday, implying the futures had overextended a little, warning we were starting to look vulnerable to an intraday test to the upside.
- The futures have seen a small move higher, but price remains below the EMA resistance band. The RSI is below 50 with intraday price and momentum conflicting.
- A close on the 4-hour candle above USD 1,951 with the RSI at or above 35.5 will mean price and momentum are aligned to the buyside. Likewise, a close below this level with the RSI at or below 31 will mean it is aligned to the sell side. Upside moves that fail at or below USD 2,044 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 now starting to flatten, implying sell side momentum is starting to slow. Our intraday Elliott wave analysis continues to suggest that upside moves look like they could be countertrend due to the wave extension highlighted yesterday. We remain cautious on downside moves at these levels due to the rejection candle yesterday, and the slowing momentum today.

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