



# Base Morning Technical Report

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Copper steadied near the lowest level in almost five months, as signs of a worsening global economy dimmed the outlook for demand.

Industrial commodities have been on a downhill trend for months. The LME Metals Index — tracking six major metals on London's exchange — has fallen 19% since peaking in May to nearly erase 2024's gains.

This week's retreat from risk assets, which wiped billions off global markets, has exacerbated the decline for metals like copper. Heightened fears about a potential US recession has added to concerns over tepid activity in China's manufacturing sector.

"It's all about risk aversion," Jia Zheng, head of trading at Shanghai Soochow Jiuying Investment Management Co., said about the metals selloff. She cited worries about a hard-landing for the US economy as among investors' concerns.

In a sign of weak demand in Asia, London Metal Exchange copper stockpiles on Wednesday surged by an additional 42,174 tons, the most in four years in tonnage, to the highest since 2019. The material has been flooding into sheds in South Korea and Taiwan.

Copper fell as much as 0.5% on the LME before little changed at \$8,769.50 as of 11:03 a.m. in Shanghai. Prices closed on Wednesday at the lowest since March 12. Aluminum was down 0.6%, while nickel declined 0.9%. (Bloomberg).

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,772	R1	8,798		
S2	8,642	R2	8,946		RSI below 50
S3	8,457	R3	9,017		

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- The RSI below 50 (35)
- Stochastic is oversold
- Price is below the daily pivot point USD 8,798
- Technically bearish yesterday, our intraday Elliott wave analysis continued 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 would start to decrease. The futures had created a small consolidation pattern in the form of a symmetrical triangle, this was a neutral pattern (it had both rising and declining trend lines), suggesting a breakout should happen in the direction of the larger trend. The futures were 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 noted that the futures should break to the downside, but this was on a lower timeframe wave cycle, meaning downside moves could be limited.
- The futures broke the symmetrical to the downside but remain above the USD 8,714 fractal low. 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 8,798 with the RSI at or above 39 will mean price and momentum are aligned to the buy side. 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, the failure to trade to a new low means that upside moves are still considered as countertrend. Our intraday Elliott wave analysis suggests that we should trade below the USD 8,714 low. However, due to the divergence in play, we maintain a cautious view on downside breakouts, as they may follow to hold.

# Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,269.5		RSI below 50
S2	R2			
S3	R3			

Source Bloomberg

## Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (47)
- Stochastic is above 50
- Price is below the daily pivot point USD 2,273
- Technically bearish yesterday, the MA on the RSI was flat, implying momentum was neutral. Intraday Elliott wave analysis suggested that upside moves looked like they should be countertrend, whilst price was in the EMA resistance band. However, yesterday's close was above the weekly pivot level (USD 2,266), indicating buyside pressure was increasing. If we closed below the low of the last dominant intraday bull candle (USD 2,277) it would indicate intraday price pressure was weakening, warning that the weekly pivot and fractal support (USD 2,227) could come under pressure. Buyside pressure was increasing, but we maintained our view that upside moves looked to be countertrend.
- The futures traded to a low of USD 2,247.5 with price closing below the low of the last dominant bull candle. However, the lower close was countered by an intraday bullish rejection candle that closed back above the weekly pivot 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 below USD 2,273 with the RSI at or below 45.5 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 indicates that we have light momentum support. Intraday Elliott wave analysis continues to suggest that upside moves look like they could be countertrend at this point. However, price action is currently neutral, as we now have intraday bullish and bearish rejection candles opposing each other. If we close below the low of the bullish rejection candle (USD 2,247.5) it will warn that the USD 2,209.5 low could be tested and broken. Likewise, a close above the high of the bearish rejection candle (USD 2,295), it will imply that buyside momentum is increasing, meaning we could see the Fibonacci resistance zone come under pressure.

# Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,582	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 (38)
- Stochastic is oversold
- Price is above the daily pivot point USD 2,571
- Technically bearish yesterday, the MA on the RSI implied that momentum remains weak. We were nearing the fractal low at USD 2,563, warning it could be tested and broken; however, the futures would be in divergence below this level, suggesting downside moves could be limited.
- The futures traded to a low of USD 2,549; however, the move has failed to hold due to the divergence in play. 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 2,571 with the RSI at or above 40 will mean price and momentum are aligned to the buy side; likewise, a close below the level with the RSI at or below 35.5 will mean it is aligned to the sell side. Upside moves that fail at or below USD 2,664 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 indicating that we have light momentum weakness. However, the futures have found light bid support on the open, the divergence means that we are cautious on downside moves at these levels.

# Nickel Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	15,590	R1	16,256	RSI below 50
S2	15,600	R2	16,494	
S3	15,545	R3	16,775	

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (44)
- Stochastic is below 50
- Price is below the daily pivot point USD 16,256
- Technically bearish yesterday with upside moves considered as countertrend based on lower timeframe Elliott wave analysis. The EMA band was flat, implying we lacked directional bias, whilst momentum was neutral. We noted that we should in theory see one more test to the downside based on the wave analysis; however, if we did trade above USD 16,494, then the probability of the futures trading to a new low would start to decrease.
- The futures have seen a small move lower, we are below the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 16,256 with the RSI at or above 52.5 will mean price and momentum are 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. However, key longer-term resistance is at USD 16,920, the Elliott wave cycle is bearish below this level and neutral above.
- Technically bearish, the MA on the RSI continues to imply that momentum is neutral. Intraday Elliott wave analysis suggest that upside moves should be considered as countertrend; if we do trade above the USD 16,494 level, then the probability of the futures trading to a new low in the near-term will start to decrease, warning that the corrective move higher is likely to be more complex. The EMA band remains flat, indicating that we lack directional bias.



# Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	1,948		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 (36)
- Stochastic is at 50
- Price is below the daily pivot point USD 1,956
- Technically bearish yesterday, the MA on the RSI was starting to flatten, implying sell side momentum was slowing down. Our intraday Elliott wave analysis continued to suggest that upside moves look like they could be countertrend due to the wave extension highlighted previously. We remained cautious on downside moves at these levels due to the rejection candle on Tuesday, and the slowing momentum yesterday.
- The futures have moved sideways. We are below all key moving averages with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 1,956 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 2,044 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Unchanged on the technical today, we remain bearish with intraday Elliott wave analysis suggesting that upside moves look like they could be countertrend, due to the downside wave extension. We remain cautious on downside moves due to the divergence that is in play, slowing momentum, and bullish rejection candle.

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