



Base Morning Technical Report

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

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Copper eked out a gain near \$9,000 a ton after a five-day run of losses fueled by an increasingly dim outlook for demand in China.

Prices slumped on Tuesday after Goldman Sachs Group Inc. underscored growing uncertainty for metals, hacking \$5,000 from its copper forecast for next year. Iron ore's sharp reversal to well below \$100 a ton has added to worries about turbulence in China's economy, while broader weakness in commodities was compounded by a market sell-off that hurt global equities.

"The demand backdrop remains weak, with a further slowdown in Chinese factory activity raising concerns that it will fail to reach its economic growth target," ANZ Group Holdings wrote in a note. (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,965	R1	8,991	Stochastic oversold	RSI below 50
S2	8,872	R2			
S3	8,714	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- The RSI below 50 (36)
- Stochastic is oversold
- Price is below the daily pivot point USD 9,045
- Technically bullish with a neutral bias yesterday, the MA on the RSI continued to warn that support levels are vulnerable, below USD 9,120 the intraday technical would be bearish. The probability of the futures trading to a new high was decreasing; however, corrective moves lower that hold at or above USD 8,965 would warn that there could be a larger, bullish Elliott wave cycle in play.
- The futures sold below both the USD 9,120 and USD 8,965 support levels, the technical is now bearish. 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 9,045 with the RSI at or above 44.5 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 9,227 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 momentum remains weak. The move below USD 8,965 means that the probability of there been a larger bullish cycle in play has started to decrease. Lower timeframe Elliott wave analysis is bearish with upside moves now looking like they could be countertrend, making USD 9,227 the key resistance to follow, above this level the probability of the futures trading to a new low will start to decrease. The daily chart has closed below its 200-period MA (USD 9,123), if we can hold below the average it will further weaken the technical. A close above that holds above the average will warn that there is underlying support in the market on the higher timeframe.

Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,413.5	Stochastic oversold	RSI Below 50
S2	R2			
S3	R3			

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (41)
- Stochastic is oversold
- Price is above the daily pivot point USD 2,412
- We remained bullish but in a corrective phase yesterday with the MA on the RSI continuing to warn that momentum was weak. As highlighted previously, we had a 3-wave corrective move lower (A-B-C), warning that the downside move had the potential to soon exhaust, whilst a move above USD 2,498 would put the technical back in bullish territory. However, upside moves that rejected the USD 2,505 resistance would warn that there could be a larger, bearish corrective cycle in play. We maintained a note of caution on downside moves at these levels, as the 1-hour RSI was showing a positive divergence; not a buy signal it did warn that sell side momentum had the potential to slow down.
- The futures had a small move lower that failed to hold, meaning we are back at yesterday morning's levels. 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 above USD 2,412 with the RSI at or above 44 will mean price and momentum are aligned to the buy side; likewise, a close below this level with the RSI at or below 39.5 will mean it is aligned to the sell side. Downside moves that hold at or above USD 2,338 will support a bull argument, below this level the technical will have a neutral bias.
- Unchanged today, we remain bullish but in a corrective phase with the MA on the RSI continuing to warn that momentum is weak. As highlighted previously, we have a 3-wave corrective move lower (A-B-C), warning that the downside move has the potential to soon exhaust, whilst a move above USD 2,498 will put the technical back in bullish territory. However, upside moves that reject the USD 2,499 (note, this level is moving lower with price) resistance will warn that there could be a larger, bearish corrective cycle in play. We maintain a note of caution on downside moves at these levels, as the futures are finding bid support on the lower timeframe divergence.

Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,841		RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is below 50 (47)
- Stochastic is below 50
- Price is above the daily pivot point USD 2,832
- Technically bullish yesterday, the MA on the RSI continued to suggest that momentum remained weak, whilst our intraday Elliott wave analysis suggests caution on upside moves. Having consolidated previously, we had seen a small move lower yesterday morning; however, a move below USD 2,820.5 had the potential to create a positive divergence on the 1-hour chart. Not a buy signal, it warned that we could see a momentum slowdown below this level, implying caution on downside breakouts. We also highlighted the 200-period MA at USD 2,791 as a potential area of support, as this was a benchmark average. A close below it that held below it would further weaken the technical. The technical was conflicting between weak moment, the potential divergence and the 200-period average, meaning we were taking a neutral stance.
- The futures sold lower, held the 200-period MA, moved higher on the positive divergence. Price is between the EMA support band with the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,832 with the RSI at or below 44.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,768 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI is implying momentum is weak; countering this, the RSI is now above its average, warning sell side momentum is slowing. We have moved higher on a negative divergence having held the 200-period MA, resulting in a bullish rejection candle on the daily chart, meaning the futures are not considered a technical sell. However, the upside move that started on the 07/08/24 looks to have completed a 5 wave Elliott wave cycle higher. To go higher, we need to see an Elliott wave extension, or the start of a new cycle. To go lower, this corrective move must become part of a larger bearish cycle. I am neutral.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	16,252	R1	16,370	Stochastic oversold	RSI below 50
S2	16,121	R2			
S3	15,956	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (37)
- Stochastic is oversold
- Price is below the daily pivot point USD 16,505
- We remain bullish but with a neutral bias below, below USD 16,509 the futures would be in bearish territory. The probability of the futures trading to a new high had started to decrease, whilst the MA on the RSI implied that momentum remained weak, the RSI break previously warned that upside moves had the potential to be countertrend. However, the futures remained above the 200-period MA, a close below it that held below it, would further weaken the technical; if we held above it, then it would warn that there could be underlying support in the market, as this was a benchmark average. We had a note of caution on downside moves at these levels whilst the average was in play.
- The futures sold below the 200- period average (USD 16,515) to a low of USD 16,295, the technical is now bearish. We are below the EMA support 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 16,588 with the RSI at or above 44 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 16,588 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, whilst price is holding below the 200-period MA. We have moved higher on a 1-hour positive divergence, below USD 16,295 has the potential to create a second divergence, suggesting caution on downside breakouts at this point. Upside moves above USD 16,740 will take the intraday technical into bullish territory; however, a rejection of the USD 16,869 level will warn that there is a larger, bearish Elliott wave cycle in play.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,048		RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (46)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,053
- Unchanged on the technical yesterday, the synopsis was copied and pasted from the previous day. We remained bearish; however, the MA on the RSI was flat, implying that momentum was neutral. Upside moves that failed at or below USD 2,094 would suggest that there could be further downside within this corrective phase; likewise, if we held above the USD 1,988 support, it would warn that there could be a larger, bullish Elliott wave cycle coming into play.
- The futures traded to a low of USD 2,025 before moving higher on a minor positive divergence. We are below the EMA support band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 2,053 with the RSI at or below 44.5 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 2,094 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Downside moves that hold at or above USD 1,988 will support a longer-term bull argument.
- Technically bearish, the futures are in a consolidation phase. However, we did trade to a new low yesterday, before finding bid support. From an Elliott wave perspective, upside moves look like they could be countertrend, warning there should in theory be further downside within this technical.

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