



# Base Morning Technical Report

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Investors are slashing their copper forecasts and unwinding bullish bets as fears of short-term oversupply and dwindling Chinese demand force traders to walk back predictions that copper would be this decade's breakout commodity success.

Goldman Sachs this week exited a long-standing position in the metal well short of its previous target that prices will reach \$US15,000 (\$22,300) a tonne next year. The broker cut that forecast by a third to an average of \$US10,100 a tonne in 2025.

While that sits well above the spot price of \$US8947 a tonne, it speaks to the exuberance that flooded through metal markets earlier this year, underscored by a short squeeze that rocketed prices past a record \$US11,000 a tonne.

But copper has since plunged 19 per cent. It is on the cusp of joining iron ore in a bear market as increasing inventories and soft demand from key customer China force commodity strategists to slash their projections. (Bloomberg).

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,872	R1	8,952	Stochastic oversold	RSI below 50
S2	8,714	R2			
S3	8,595	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- The RSI below 50 (38)
- Stochastic is oversold
- Price is below the daily pivot point USD 8,964
- Technically bearish yesterday, the MA on the RSI indicated that momentum remained weak. The move below USD 8,965 meant that the probability of there being a larger bullish cycle in play had started to decrease. Lower timeframe Elliott wave analysis was 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 would start to decrease. The daily chart had closed below its 200-period MA (USD 9,123), if we could hold below the average it would further weaken the technical. A close above that held above the average would warn that there was underlying support in the market on the higher timeframe.
- The futures sold to a low of USD 8,890 before finding bid support in the afternoon session. We remain 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 8,964 with the RSI at or above 41 will mean price and momentum are aligned to the buy side; likewise, a close below this level with the RSI at or below 36.5 will mean it is aligned to the sell side. Upside moves that fail at or below USD 9,214 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 starting to flatten, implying sell side momentum is slowing down. However, our intraday Elliott wave analysis continues to suggest that upside moves look like they will be countertrend. If we do trade above the USD 9,214 level, then the probability of the futures trading to a new low will start to decrease. Price remains below the daily 200-period MA (USD 9,126), this should in theory act as a resistance level if tested.

# Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,390	R1	2,440		RSI Below 50
S2	2,338	R2	2,491		
S3	2,296	R3	2,559		

Source Bloomberg

## Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (39)
- Stochastic is below 50
- Price is below the daily pivot point USD 2,396
- Unchanged today yesterday, we remained bullish but in a corrective phase 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 has 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 2,499 (note, this level is moving lower with price) 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 futures are finding bid support on the lower timeframe divergence.
- The futures sold to a low of USD 2,370.5 but the move failed to hold due to the lower timeframe divergence, and the daily 200-period MA (USD 2,376). 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 2,396 with the RSI at or above 42.5 will mean price and momentum are aligned to the buy side; likewise, a close below this level with the RSI at or below 38 will mean it is aligned to the sell side. Upside moves that fail at or below USD 2,491 will warn that there is a larger bearish Elliott wave correction in play.
- The technical remains bullish but in a corrective phase with price holding above the daily 200-period MA yesterday. As noted previously, we are in a corrective 3-wave pattern with the lower timeframe in divergence, implying caution on downside moves at these levels. Above USD 2,498 the intraday technical will be bullish based on price; however, if we reject the USD 2,491 level, it will warn that there is potentially a larger bearish Elliott wave correction in play.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,734	R1	2,810	Stochastic oversold	RSI below 50
S2	2,677	R2	2,818		
S3	2,657	R3	2,868		

Source Bloomberg

## Synopsis - Intraday

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (36)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,810
- Technically bullish yesterday, the MA on the RSI was implying momentum is weak; countering this, the RSI was above its average, warning sell side momentum was slowing. We had 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 were not considered a technical sell. However, the upside move that started on the 07/08/24 looked to have completed a 5 wave Elliott wave cycle higher. To go higher, we needed 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 was neutral.
- The futures have sold lower resulting in price trading below the USD 2,768 support, meaning the probability of there being a larger bull cycle/new cycle in play has started to decrease. 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 2,810 with the RSI at or above 46 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 2,868 will leave the futures vulnerable to further tests to the downside, above this level the technical will be back in bullish territory.
- Technically bullish but with a neutral bias, the probability of the future trading to a new high has started to decrease. We had a neutral view previously, as the wave cycle warned that the upside move looked to have completed; however, price was holding above the 200-period MA (USD 2,783) whilst in divergence, warning the corrective phase needed to extend to the downside and become part of a larger bear cycle. The downside moves means the futures are below the 200-period MA with the divergence failing, suggesting that is a larger bear cycle in play, warning upside moves should now be considered as countertrend.

# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	15,956	R1	16,090	Stochastic oversold	RSI below 50
S2	15,815	R2			
S3	15,743	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (30)
- Stochastic is oversold
- Price is below the daily pivot point USD 16,245
- Technically bearish yesterday, the MA on the RSI implied that momentum remained weak, whilst price is holding below the 200-period MA. We had moved higher on a 1-hour positive divergence, below USD 16,295 we had the potential to create a second divergence, suggesting caution on downside breakouts. Upside moves above USD 16,740 would take the intraday technical into bullish territory; however, a rejection of the USD 16,869 level would warn that there was a larger, bearish Elliott wave cycle in play.
- The futures continued to sell lower with price remaining 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 16,245 with the RSI at or above 40 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 16,519 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. However, upside moves that fail at or below USD 16,799 will warn that there could be a larger, bearish corrective cycle in play.
- Unchanged on the technical today, the MA on the RSI continues to suggest that momentum remains weak; however, the 1-hour RSI remains in divergence with price, warning we have the potential to see a momentum slowdown. For this reason, we remain cautious on downside moves at these levels. Key resistance to follow is at USD 16,799, upside moves that reject this level would suggest there is a larger corrective cycle in play. A cautious bear due to the divergence in play.

# Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	1,988	R1	2,002	Stochastic oversold	RSI below 50
S2	1,961	R2			
S3	1,917	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 below the daily pivot point USD 2,032
- Technically bearish yesterday, the futures were in a consolidation phase. However, we had traded to a new low previously, 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.
- The futures continue to sell lower with price below the EMA resistance band whilst the RSI is below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,032 with the RSI at or above 47 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 1,988 will support a longer-term bull argument.
- Technically bearish, the MA on the RSI is implying momentum is weak; countering this, lower timeframe oscillators are approaching oversold territory. Intraday Elliott wave analysis continues to suggest that upside moves look like they could be countertrend at this point (we have not seen a move higher since yesterday), making USD 2,083 the key resistance to follow. Price is approaching the USD 1,988 support, if broken, then the probability of the futures there being a larger bull cycle will start to decrease. We now have a note of caution on downside moves at these levels in the near-term due to the lower timeframe momentum being oversold.

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