



Base Morning Technical Report

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

Metals

Uncertainty around the US presidential election in November will prevent meaningful gains for metals by subduing global risk appetite and possibly delaying government stimulus in China, according to Citigroup Inc.

“We think Fed rate cuts, further China policy easing, and an upturn in global manufacturing sentiment will be more constructive for metals pricing in late fourth quarter/early 2025, once the US election is behind us,” analysts including Tom Mulqueen wrote in a note, referring to the Federal Reserve.

Metals from copper to aluminum have retreated in recent months on concerns that Chinese demand will slow, coupled with jitters over the global economy. Goldman Sachs Group Inc. fueled an increasingly cautious tone across commodities by slashing \$5,000 from its 2025 copper forecast earlier this week.

In the November contest, Republican nominee and former President Donald Trump will face off against Vice President Kamala Harris in what’s expected to be a close battle. In a recent national poll of likely voters published by Emerson College, Harris leads her rival by 49% to 47%.

Copper is heading for a second weekly decline, with prices little changed at \$9,083 a ton on the London Metal Exchange on Friday, 1.7% lower on week. Aluminum is back to level for this year after falling in the seven sessions to Thursday, while zinc has slumped this week amid more woes in China’s steel market.(Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,050	R1	9,141		Stochastic overbought
S2	8,872	R2			
S3	8,714	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- The RSI at 50 (50)
- Stochastic is overbought
- Price is above the daily pivot point USD 9,050
- Technically bearish yesterday, the MA on the RSI was starting to flatten, implying sell side momentum was slowing down. However, our intraday Elliott wave analysis continued to suggest that upside moves look like they would be countertrend. If we did trade above the USD 9,214 level, then the probability of the futures trading to a new low would start to decrease. Price remained below the daily 200-period MA (USD 9,126), which should in theory act as a resistance level if tested.
- A bullish session yesterday with the futures trading to a high of USD 9,158 means we are trading in the EMA resistance band. The RSI is below 50 but price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 9,050 with the RSI at or below 39 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 9,261 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Note: the initial downside move looks like it could be a 3-wave corrective Elliott wave A pattern, meaning our Fibonacci resistance numbers are higher, as they should have been run from the high on the 27/08 and not the 30/08.
- Technically bearish, the MA on the RSI is implying that momentum is supported, warning the USD 9,261 resistance is vulnerable. If broken, then the probability of the futures trading to a new low will start to increase. However, our wave analysis is suggesting that the upside move looks like it could be countertrend, meaning the USD 9,261 resistance should in theory hold if tested.

Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,385		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 (40)
- Stochastic is below 50
- Price is on the daily pivot point USD 2,383
- Technically bullish but in a corrective phase yesterday with price holding above the daily 200-period MA previously. We noted that we were 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 would be bullish based on price; however, if we rejected the USD 2,491 level, it would warn that there was potentially a larger bearish Elliott wave correction in play.
- The futures traded to a low of USD 12,363 before finding light bid support off the daily and intraday 200-period MA's (and the lower timeframe divergence). 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 2,383 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 2,488 will warn that there is a larger bearish Elliott wave correction in play.
- Technically bullish but in a corrective phase, the futures have started to consolidate on the longer-term average. The MA on the RSI is now flat, implying momentum has turned neutral. A move above USD 2,418.5 will mean the intraday technically is bullish; however, upside moves that reject the USD 2,488 resistance, will warn that there is a larger bearish wave cycle in play. The consolidation on the intraday and daily 200-period MA's is suggesting caution on downside moves at this point.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,734	R1	2,754	Stochastic oversold	RSI below 50
S2	2,677	R2	2,796		
S3	2,657	R3	2,821		

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (37)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,754
- Technically bullish but with a neutral bias yesterday, the probability of the futures trading to a new high had 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 meant that the futures were below the 200-period MA with the divergence failing, suggesting that there was a larger bear cycle in play, warning upside moves should be considered as countertrend.
- The futures sold to a low of USD 2,714 before finding light bid support in the Asian day session. 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 2,754 with the RSI at or above 42 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 2,856 will leave the futures vulnerable to further tests to the downside, above this level the technical will be back in bullish territory.
- Unchanged on the technical today. The MA on the RSI continues to imply that momentum is weak, whilst our intraday Elliott wave analysis is suggesting upside moves look like they could be countertrend. The 1-hour RSI is now divergent, not a buy signal, it is warning that we are starting to look vulnerable to an intraday move higher.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	15,815	R1	15,935	Stochastic oversold	RSI below 50
S2	15,743	R2			
S3	15,509	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 16,088
- Unchanged on the technical yesterday, the MA on the RSI continued to suggest that momentum remained weak; however, the 1-hour RSI remained in divergence with price, warning we had the potential to see a momentum slowdown. For this reason, we remained cautious on downside moves at these levels. Key resistance to follow was at USD 16,799, upside moves that rejected this level would suggest there was a larger corrective cycle in play. A cautious bear due to the divergence in play.
- The futures sold to a low of USD 15,950 yesterday before finding bid support into the close. However, we are trading to new lows again this morning, meaning we remain 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 16,088 with the RSI at or above 35 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 16,457 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 16,738 will warn that there could be a larger, bearish corrective cycle in play.
- Technically bearish, the downside move on the open means that the futures are in divergence on the 4-hour timeframe. Not a buy signal, it is a warning that we could see a momentum slowdown and will need to be monitored. For this reason, we remain cautious on downside moves at these levels. Key resistance to follow is at USD 16,738, upside moves that reject this level would suggest there is a larger corrective cycle in play. We remain a cautious bear due to the divergence in play.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	1,979	R1	1,987.5	Stochastic oversold	RSI below 50
S2	1,961	R2			
S3	1,917	R3			

Source Bloomberg

Synopsis - Intraday

- 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 2,000
- Technically bearish yesterday, the MA on the RSI implied that momentum was weak; countering this, lower timeframe oscillators were approaching oversold territory. Intraday Elliott wave analysis continued to suggest that upside moves look like they could be countertrend (we have not seen a move higher), making USD 2,083 the key resistance to follow. Price was approaching the USD 1,988 support, if broken, then the probability of there being a larger bull cycle would start to decrease. We had a note of caution on downside moves at these levels in the near-term, due to the lower timeframe momentum being oversold.
- We had a small move lower yesterday resulting in price trading below the USD 1,988 support, meaning the probability of the being a larger, bullish Elliott wave cycle in play has started to decrease. 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 2,000 with the RSI at or above 43 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 2,038 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. The MA on the RSI continues to imply that momentum is weak; this is countered by the RSI being divergent, implying caution on downside moves at these levels, as the futures are starting to look vulnerable to an intraday move higher. However, intraday Elliott wave analysis continues to suggest that upside moves should be considered as countertrend.

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