



# Base Morning Technical Report

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Al

Aluminum extended its rebound on a decline in Chinese inventories and an unexpected pickup in overall exports from the top metal consumer.

Inventories of aluminum ingot in the Asian nation dropped to 768,000 tons, the lowest level since June, according to Shanghai Metals Market. Discounts have also narrowed for spot cargo purchases in eastern China, a sign of rising demand after prices pulled back from a peak in May.

China's total exports unexpectedly picked up in August, providing a rare boost for an economy weighed down by deflationary pressures. (Bloomberg).

# Copper Morning Technical (4-hour)



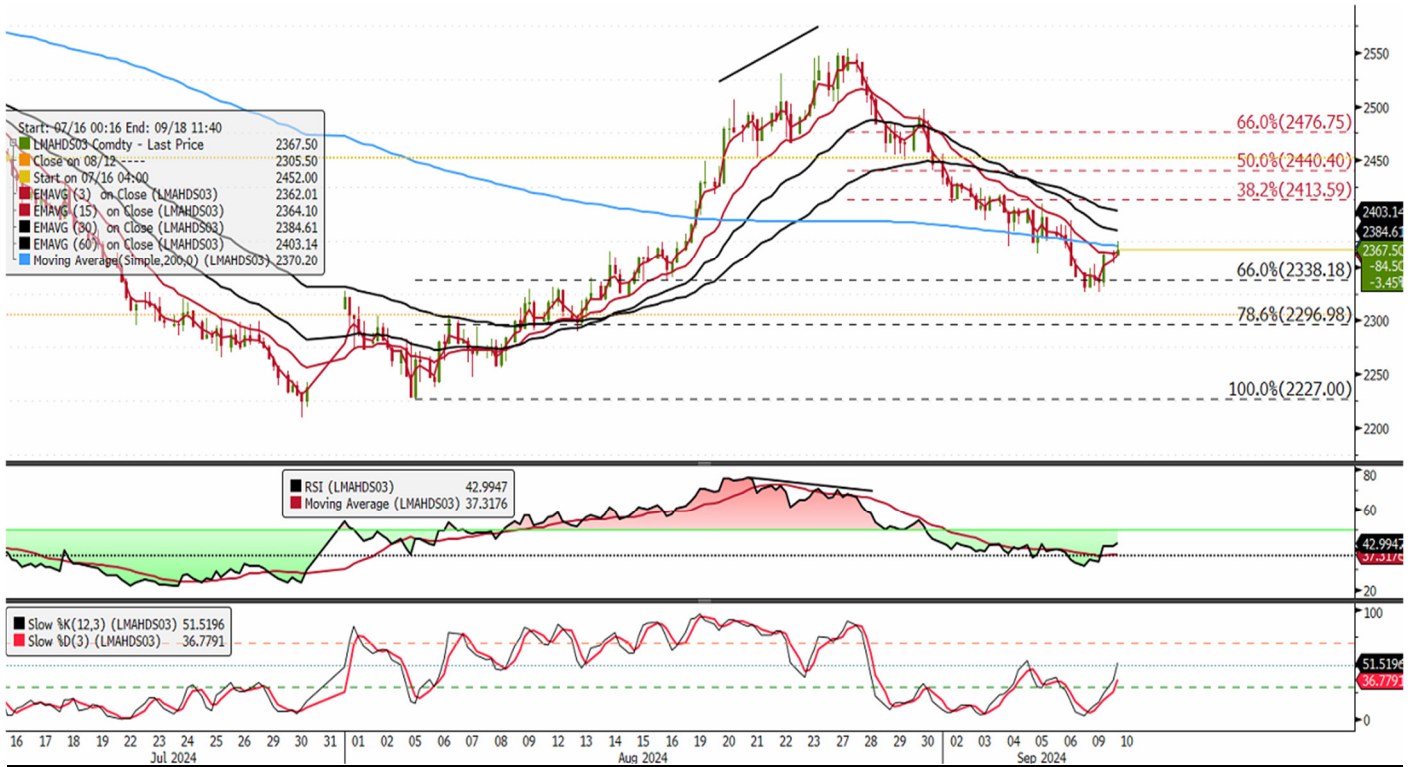
	Support	Resistance	Current Price	Bull	Bear
S1	9,062	R1	9,171		RSI below 50
S2	8,872	R2	9,261	9,081	
S3	8,714	R3	9,332		

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- The RSI below 50 (48)
- Stochastic is above 50
- Price is above the daily pivot point USD 9,062
- Technically bearish yesterday, the futures had rejected the EMA resistance band and the 200-period MA (USD 9,188) with price and momentum aligned to the sell side, warning the USD 8,990 fractal low was vulnerable. Intraday Elliott wave analysis continued to suggest that upside moves look like they could be countertrend. A move below USD 8,990 would create a positive divergence with the RSI, not a buy signal it warned that we could see a momentum slowdown, implying caution on downside breakouts.
- The futures didn't sell lower with price holding a small support area from the 02-04/08 (now highlighted), resulting in a move back into the EMA resistance band. The RSI is below 50 with intraday price and momentum aligned to the buyside.
- A close on the 4-hour candle below USD 9,062 with the RSI at or above 45 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.
- Technically bearish, the MA on the RSI is flat, implying momentum is neutral. Our intraday Elliott wave analysis continues to suggest that upside moves look to be countertrend, making USD 9,261 the key resistance to follow. If broken, then the probability of the futures trading to a new high will start to decrease. Price action however has a more neutral bias this morning, as we have held a small support area but remain below a resistance zone (highlighted). The last dominant candle is bullish, meaning we need to close below USD 9,025 on the 4-hour candle for downside continuation, as this will increase the probability of the futures trading to a new low.

# Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,367.5		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 (42)
- Stochastic is below 50
- Price is above the daily pivot point USD 2,351
- Technically bullish yesterday, the move lower on the open had breached the USD 2,338 support, meaning that the probability of the futures trading to a new high had started to decrease. The MA on the RSI implied that we had light momentum weakness, whilst lower timeframe Elliott wave analysis suggested that intraday upside moves look like they could be countertrend. If we closed above and held above the daily 200-period MA (USD 2,337), it would warn that there was still underlying support in the market on the higher timeframe.
- The futures consolidated for most of the session before closing the day with light bid support. We are below all key moving averages with the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,351 with the RSI at or below 35 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,476 will warn that there is a larger bearish Elliott wave correction in play.
- Unchanged on the technical this morning, we remain bullish with a neutral bias, meaning the probability of the futures trading to a new high within this phase of the cycle has started to decrease. The MA on the RSI is flat, implying momentum is neutral, whilst our intraday Elliott wave analysis is suggesting that intraday upside moves look like they could be countertrend. We remain below the daily 200-period MA (USD 2,378), if we close above and hold above it on the higher timeframe, it will warn that resistance levels could come under pressure in the near-term.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,725	R1	2,781		
S2	2,677	R2	2,809		RSI below 50
S3	2,646	R3	2,848		

Source Bloomberg

## Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (41)
- Stochastic is below 50
- Price is above the daily pivot point USD 2,725
- Technically bullish with a neutral bias yesterday, the MA on the RSI implied that we had light momentum weakness; However, the MA on the RSI was starting to flatten, meaning sell side momentum was showing signs of slowing down. The 4-hour RSI was in divergence with price (as was the 1-hour), not a buy signal, it warned that we had the potential to see a momentum slowdown. The upside move on Friday was the countertrend intraday Elliott wave move higher that we had highlighted previously, our analysis suggests that we now have a potential downside target at USD 2,646. The divergence however meant that we had a note of caution on moves lower.
- The futures had a small move higher on the back of the positive divergence. We remain below all key moving averages with the RSI below 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 2,725 with the RSI at or below 36.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,848 will leave the futures vulnerable to further tests to the downside, above this level the technical will be back in bullish territory.
- Technically bullish with a neutral bias, the MA on the RSI is starting to turn higher, suggesting we have light momentum support. As noted previously, our intraday Elliott wave analysis suggests that we have the potential to trade as low as USD 2,646 within this phase of the cycle; however, due to the divergence in play, we remain cautious on downside moves at these levels, as we are seeing a momentum slowdown.

# Nickel Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	15,815	15,945		RSI below 50
S2	15,743			
S3	15,509			
	R1	15,970		
	R2	16,174		
	R3	16,282		

**Synopsis - Intraday**

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (38)
- Stochastic is below 50
- Price is below the daily pivot point USD 15,970
- Technically bearish yesterday, the MA on the RSI was flat, implying momentum was neutral. However, the futures were finding light bid support on the back of a positive divergence with the RSI, warning sell side momentum had the potential to slowdown. Our intraday Elliott wave analysis suggests that intraday upside moves look like they could be countertrend in the near-term.
- The futures are consolidating with price 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 15,970 with the RSI at or below 32 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 16,428 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 16,709 will warn that there could be a larger, bearish corrective cycle in play.
- Technically bearish, although consolidating, our lower timeframe oscillators have crossed above zero, suggesting we have entered our countertrend move higher. If we trade below USD 15,825, it will confirm that we have entered the final wave lower within this phase of cycle. However, the futures will be in divergence below USD 15,825, not a buy signal, it does warn that we could see a momentum slowdown, suggesting caution on downside breakouts.

# Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	1,953	R1	1,966.5	Stochastic oversold	RSI below 50
S2	1,932	R2			
S3	1,917	R3			

Source Bloomberg

## Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (39)
- Stochastic is oversold
- Price is above the daily pivot point USD 1,961
- Technically bearish yesterday, the MA on the RSI implied that momentum was weak. Our intraday Elliott wave analysis continued to suggest that upside moves look like they could be countertrend, making USD 2,027 the key resistance to follow; if broken, then the probability of the futures trading to a new low would start to decrease. The divergence had failed, but lower timeframe momentum (1-hour) was holding support dating back to the 29th/30th of August, meaning we remained cautious on downside moves at these levels.
- The futures did have a test to the downside, but the move failed to hold. We remain below all key moving averages with the RSI below 50. Intraday price and momentum are aligned to the sell side, as the futures were below the daily pivot, whilst the RSI was below its average on the previous candles close.
- A close on the 4-hour candle above USD 1,961 with the RSI at or above 38.5 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 2,025 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 momentum is turning neutral. The move to a new low yesterday has created a positive divergence with the RSI on the 4-hour chart, implying caution on downside moves in the near-term. However, our intraday Elliott wave analysis continues to suggest that upside moves look like they could be countertrend, making USD 2,025 the key resistance to follow. Above this level, the probability of the futures trading to a new low will start to decrease.

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