



Base Morning Technical Report

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

Metals

China announced plans for a rare briefing on the economy by three top financial regulators just as it cut one of its short-term policy rates, fueling speculation officials are preparing to ramp up efforts to revive growth.

Authorities announced Monday that central bank governor Pan Gongsheng will hold a press conference tomorrow on financial support for economic development, alongside two other officials. Minutes later, the People's Bank of China lowered the 14-day reverse repurchase rate, catching up with reductions initiated in July.

Taken together the moves bolster expectations for the PBOC to lower rates, after the US Federal Reserve finally started cutting last week. China's central bank also recently signaled it was preparing additional policies. A slew of disappointing data in August raised concerns that President Xi Jinping's government could miss its annual growth target of around 5% without unleashing more support. (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,347	R1	9,525	RSI above 50	
S2	9,270	R2			
S3	9,164	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (60)
- Stochastic is above 50
- Price is above the daily pivot point USD 9,517
- Technically bullish on Friday, we noted previously in the close report, that the upside move meant that we had seen a bullish lower timeframe Elliott wave extension, meaning downside moves should be considered as countertrend, making USD 9,163 the key support to follow. If broken, then the probability of the futures trading to a new high will start to decrease. The 1-hour RSI was still in divergence, implying caution on upside moves. A close below the low of the last dominant bull candle (currently USD 9,506) would warn that the futures could be about to enter a corrective phase.
- The futures sold lower with price closing below the USD 9,506 level, warning we could be in the early stages of a corrective Elliott wave 4; however, we are finding light bid support on the Asian open. Price is above all key moving averages with the RSI above 50, intraday price and momentum are aligned to the sell side, as the previous candle closed below the daily pivot level.
- A close on the 4-hour candle above USD 9,517 with the RSI at or above 64 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 9,164 will support a near-term bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the futures have entered a corrective phase; however, the pullback is yet to confirm that it is a lower timeframe corrective Elliott wave 4 (countertrend move lower). Upside moves that fail at or below USD 9,554 will warn that there could be further downside within this corrective phase, above this level the USD 9,599.50 fractal high will become vulnerable. If we trade to new highs before moving lower, then we are looking at further extension within the current bullish wave cycle. Near-term price action does suggest caution on upside moves at this point, as we could struggle to hold.

Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,469	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Source Bloomberg

Synopsis - Intraday

- Price is between the EMA support band (Black EMA's)
- RSI is below 50 (46)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,505
- Technically bullish on Friday, the MA on the RSI continued to warn that momentum was weak. The futures were now on a bullish impulse Elliott wave 5; however, price was in divergence whilst the RSI is below its MA, meaning support levels were vulnerable. A move below USD 2,513 would imply that the probability of the futures trading to a new high would start to decrease, whilst below USD 2,485 the technical would be bearish.
- The futures failed to trade higher with price trading below key support levels, the intraday technical is now bearish. We are between 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 2,505 with the RSI at or above 61 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 2,534 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Likewise, downside moves that hold at or above USD 2,408, will warn that there could be a larger, bullish Elliott wave cycle in play.
- Technically bearish, the MA on the RSI continues to imply that momentum is weak at this point. Price and the RSI are making new lows, warning upside moves have the potential to be countertrend. However, lower timeframe momentum indicators are starting to look a little overextended to the downside at this point, leaving the futures vulnerable to an intraday move higher in the near-term.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,828	R1	2,896	Stochastic oversold	RSI below 50
S2	2,823.5	R2	2,962		
S3	2,780	R3	2,997		

Source Bloomberg

Synopsis - Intraday

- Price is between the EMA support band (Black EMA's)
- RSI is below 50 (49)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,896
- Technically bullish on Friday, the MA on the RSI was flat, implying momentum was neutral. We noted that an upside move that traded above USD 2,977.5 would mean that the lower timeframe Elliott wave cycle had extended; however, a new high would create a negative divergence with the RSI, implying caution on upside breakouts. We had broken key resistance, but the wave cycle looked like it may have already completed, meaning we were cautious on upside moves at those levels. If we closed below the last dominant bull candle (USD 2,921.5) it would warn that support levels could be tested and broken.
- The futures sold lower with price now trading in the EMA support band whilst the RSI is near-neutral at 49, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,896 with the RSI at or above 56 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 2,780 will warn that there is potentially a larger, bullish Elliott wave cycle in play.
- Technically bullish with a neutral bias, the probability of the futures trading to a new high will start to decrease. Below USD 2,823.5 the intraday technical will be bearish. The MA on the RSI is indicating that momentum remains weak, whilst the corrective Elliott wave cycle is now suggesting that intraday upside moves look like they could be counter-trend, implying caution on upside moves at this point.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	16,443	R1	16,450	RSI above 50	Stochastic overbought
S2	16,205	R2			
S3	16,159	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (58)
- Stochastic is overbought
- Price is above the daily pivot point USD 16,443
- Technically bullish on Friday, the futures were in divergence on the lower timeframe. Not a sell signal, it warned that we have the potential to see a momentum slowdown, which would need to be monitored. We remained cautious on upside moves at these levels, as the divergence suggested that upside moves could struggle to hold, leaving the futures vulnerable to an intraday pullback.
- The futures have seen a small move higher; however, we are seeing upside rejection candles form on the 4-hour timeframe. Price is above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 16,443 with the RSI at or below 55 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 15,962 will warn that there is a larger, bullish Elliott wave cycle in play.
- Technically bullish, the MA on the RSI is indicating light momentum support. However, the lower timeframe RSI remains in divergence whilst we are seeing a cluster of bearish rejection candles, warning of sell side resistance at higher levels. We remain cautious on upside moves at these levels, as the futures are starting to look vulnerable to an intraday pullback.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,047	RSI above 50	Stochastic Overbought
2,031	2,060			
S2	R2			
2,018	2,070			
S3	R3			
1,997.5	2,097.5			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA support band (Black EMA's)
- RSI is above 50 (51)
- Stochastic is below 50
- Price is below the daily pivot point USD 2,059
- Technically bearish with a neutral bias on Friday, the MA on the RSI implied that momentum is supported. The divergence failure previously suggested that the lower timeframe Elliott wave cycle had extended, meaning downside moves should be countertrend, making USD 2,030 the key support to follow. If broken, then the probability of the futures trading to a new high would start to decrease. Very low timeframe momentum was in divergence; however, there now looks to be more than one intraday pullback within this move, suggesting moves lower would find buyside support.
- The futures have entered a corrective phase; however, we remain above key support at this point. Price is between the EMA support band with the RSI near-neutral at 51, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,059 with the RSI at or above 61.5 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 2,031 will warn that there is a higher timeframe bullish Elliott wave cycle in play, if broken the USD 1,977.5 support will start to look vulnerable. Likewise, upside moves that fail at or below USD 2,077 will leave the futures vulnerable to further tests to the downside.
- Technically bearish with a neutral bias, the MA on the RSI is flat, implying momentum is neutral. In theory, we have the potential to see one more test to the upside; however, the dark-cloud cover candle pattern on the daily chart is warning of higher timeframe selling pressure, suggesting upside moves could struggle to hold, making USD 2,077 the key resistance to follow. The wave cycle was on a very low timeframe, the strength of this pullback (in one single move lower) now suggests caution on moves higher, as corrective pullbacks are rarely one wave.

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