



Base Morning Technical Report

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

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Copper and other metals edged higher on the back of optimism over Chinese stimulus and more US rate cuts.

Base metals and iron ore have rallied since Chinese authorities surprised investors with a major economic rescue package early last week. Beijing became the latest major city to ease curbs on home buying, part of the government's renewed push to try and rejuvenate the slumping property market, a pillar of metals demand.

In the US, Federal Reserve Chair Jerome Powell said Monday the central bank will continue to loosen monetary policy if the economy progresses as expected, while emphasizing it's not in a hurry to do so quickly.

Copper rose 0.4% to \$9,868 a ton on the London Metal Exchange as of 11:24 a.m. in Singapore. Aluminum climbed 0.3% and zinc was up 0.6%. Steelmaking ingredient iron ore dipped 0.3% to \$109.45 a ton on the Singapore exchange following a spectacular 7.6% jump on Monday.

Chinese markets are closed through next Monday for public holidays. (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,899	R1	10,002	RSI above 50	
S2	9,813.5	R2			
S3	9,693	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (60)
- Stochastic is below 50
- Price is above the daily pivot point USD 9,938
- Technically bullish yesterday, the futures were in a corrective phase. Momentum was conflicting, as the MA on the RSI implied that it was weak; however, the RSI was above 50 whilst the stochastic was oversold, warning we could move higher. With the RSI breaking support, the technical suggested that upside moves could struggle to hold in the near-term, making USD 10,040 the key resistance to follow. If broken, then the probability of the futures trading to a new low would start to decrease. The momentum confliction warned of a 3-wave corrective pattern.
- The futures have moved higher with price breaching the USD 10,040 resistance on the open. We are above the EMA support band with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 9,938 with the RSI at or below 58 will mean price and momentum are aligned to the sell side; likewise, a close above this level with the RSI at or above 62.5 will mean it is aligned to the buyside. Downside moves that hold at or above USD 9,354 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI is indicating that momentum is weak, but the RSI is crossing the average, warning it could be slowing down. Likewise, the upside move above USD 10,040 means that the probability of the futures trading to a new low have started to decrease. However, if we close below the low of the last dominant bull candle (USD 9,940) it will warn that sell side pressure is increasing, whilst a move below USD 9,899 will indicate that the USD 9,813.5 fractal low could be tested and broken. We maintain our view that downside moves should be considered as counter-trend, but right here, the technical is a little unclear on whether we are seeing a very short corrective wave 4 (on a 5 min chart); or a clearer more defined corrective phase that has broken key resistance but will still move lower. Note: if we trade higher and close above the intraday high of USD 10,067.5, it will suggest that we are probably in the early stages of a bullish Elliott wave 5. Technically, we need to wait on this until we have a clearer signal.

Aluminium Morning Technical (4-hour)



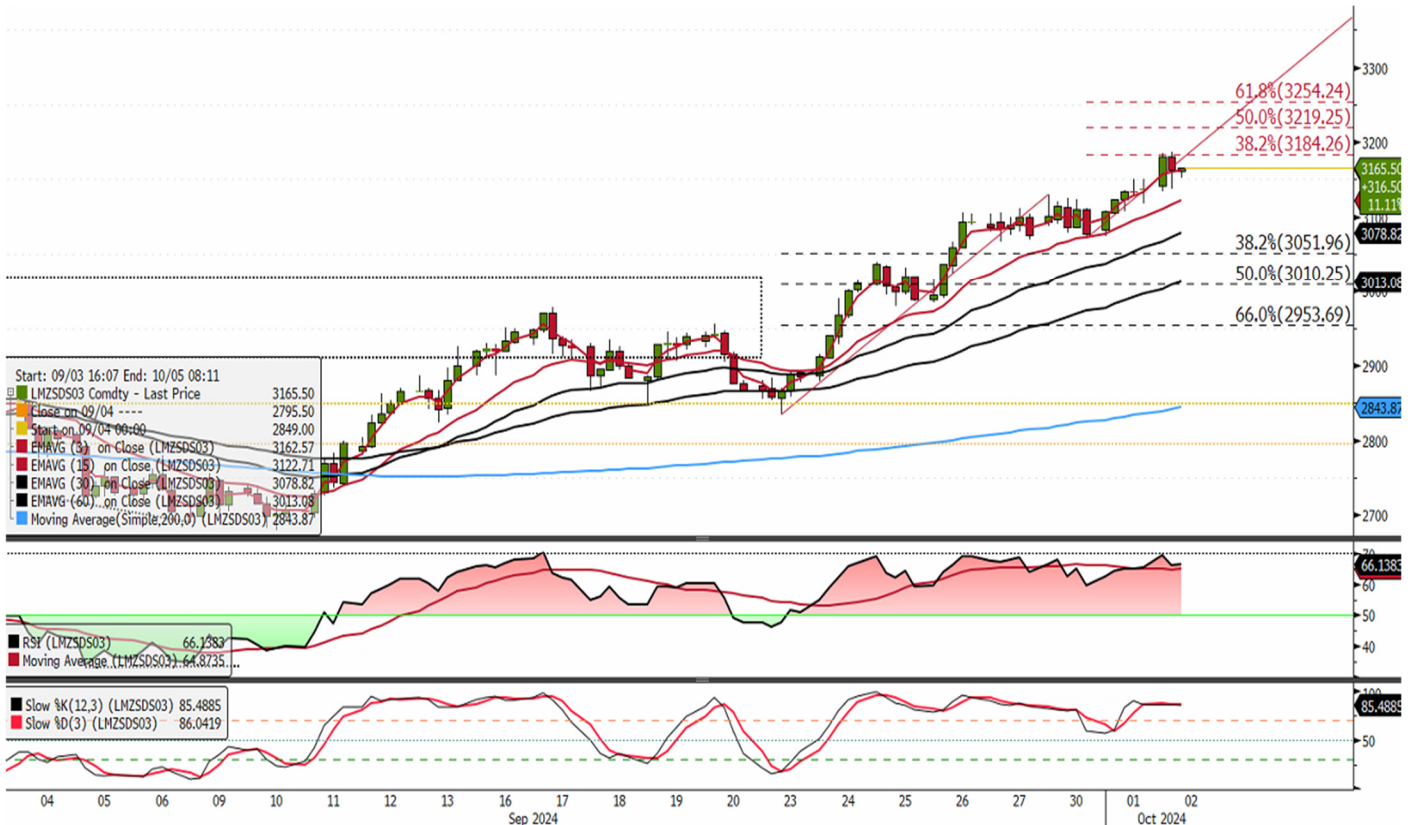
Support	Resistance	Current Price	Bull	Bear
S1	R1	2,644	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (60)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,626
- Technically bullish yesterday, the futures had entered a corrective phase. However, a lower timeframe Elliott wave cycle continued to warn that we had the potential for one more test to the upside, making USD 2,565 the key support to follow. If broken, then the probability of the futures trading to a new high will start to decrease. We noted that it looked less likely that we would see a higher timeframe wave cycle within this phase of the cycle, suggesting caution on upside breakouts above USD 2,659.
- The futures have traded up to but not above the USD 2,659 fractal high. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 2,626 with the RSI at or below 59 will mean price and momentum are aligned to the sell side. Likewise, a close above this level with the RSI at or above 63.5 will mean it is aligned to the buyside. Downside moves that hold at or above USD 2,610 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the futures have traded up to the USD 2,659 fractal high, meaning the minimum requirement for cycle completion has been met. If we trade above USD 2,659 it will create a negative divergence with the RSI, which will need to be monitored; however, Fibonacci projection levels do suggest that we have the potential to trade as high as USD 2,710 within this phase of the cycle. A move below USD 2,610 will warn that the USD 2,585 fractal support could be tested and broken.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,120	R1, 3,184	3,165.5	RSI above 50	Stochastic overbought
S2	3,051	R2, 3,219			
S3	3,010	R3, 3,254			

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (66)
- Stochastic is overbought
- Price is above the daily pivot point USD 3,120
- Unchanged on the technical yesterday, we remained cautious on upside breakouts above USD 3,130, as the futures were already in divergence with the RSI, warning we were vulnerable to a momentum slowdown. Our intraday Elliott wave analysis continued to suggest that downside moves look to be countertrend, making USD 2,934 the key support to follow. If broken, then the probability of the futures trading to a new high would start to decrease. A cautious bull, as upside breakouts could struggle to hold.
- The futures have traded to a new high with price still in divergence with the RSI. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 3,120 with the RSI at or below 66.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,953 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the upside move yesterday has created a lower timeframe wave extension on the move that started on the 29/09/24. We are still in divergence on the lower timeframe, meaning we maintain a cautious view on upside moves; however, Fibonacci projection levels suggest that we have the potential to trade as high as 3,254 within this phase of the cycle. We maintain our view that there is a larger, bullish Elliott wave cycle in play, meaning downside moves are considered as countertrend.

Nickel Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	17,613	R1	18,017	17,935	RSI above 50	Stochastic overbought
S2	17,135	R2	18,134			
S3	16,887	R3	18,302			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (80)
- Stochastic is overbought
- Price is above the daily pivot point USD 17,613
- Technically bullish yesterday, the futures were in a trending environment with faster moving oscillators looking overextended. A close below the low of the last dominant bull candle (USD 17,345, also the daily pivot level), would warn that the futures could be entering a corrective phase. However, as noted previously, downside moves were considered as countertrend.
- The futures failed to produce the bearish candle close below USD 17,345, resulting in price continuing to move higher. We remain above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 17,613 with the RSI at or below 76.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 16,550 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI is implying that momentum is supported; however, we have a minor negative divergence with the RSI, which will need to be monitored, as it warns buy side momentum has the potential to slow down. We maintain our view based on intraday Elliott wave analysis that downside moves should be considered as countertrend at this point.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,128.5	RSI above 50	
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (57)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,110
- Unchanged on the technical yesterday, we remained bullish with price holding above key support, warning we could have one more test to the upside in the near-term. Intraday Elliott wave analysis continued to suggest that downside moves should be considered as countertrend.
- The futures have seen a small move higher. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,110 with the RSI at or below 53.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,089 will support a bull argument, below this level the technical will have a neutral bias.
- Unchanged on the technical again today (**rhetoric unchanged**). We remain bullish with price holding above key support, warning we could have one more test to the upside in the near-term. Intraday Elliott wave analysis continues to suggest that downside moves should be considered as countertrend.

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