



# Base Morning Technical Report

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Al

A single entity held 40% or more of the open positions in the London Metal Exchange's main October aluminum contract on Sept. 30, according to data from the exchange.

Prior day's data showed a single entity held 30-39% of the contracts

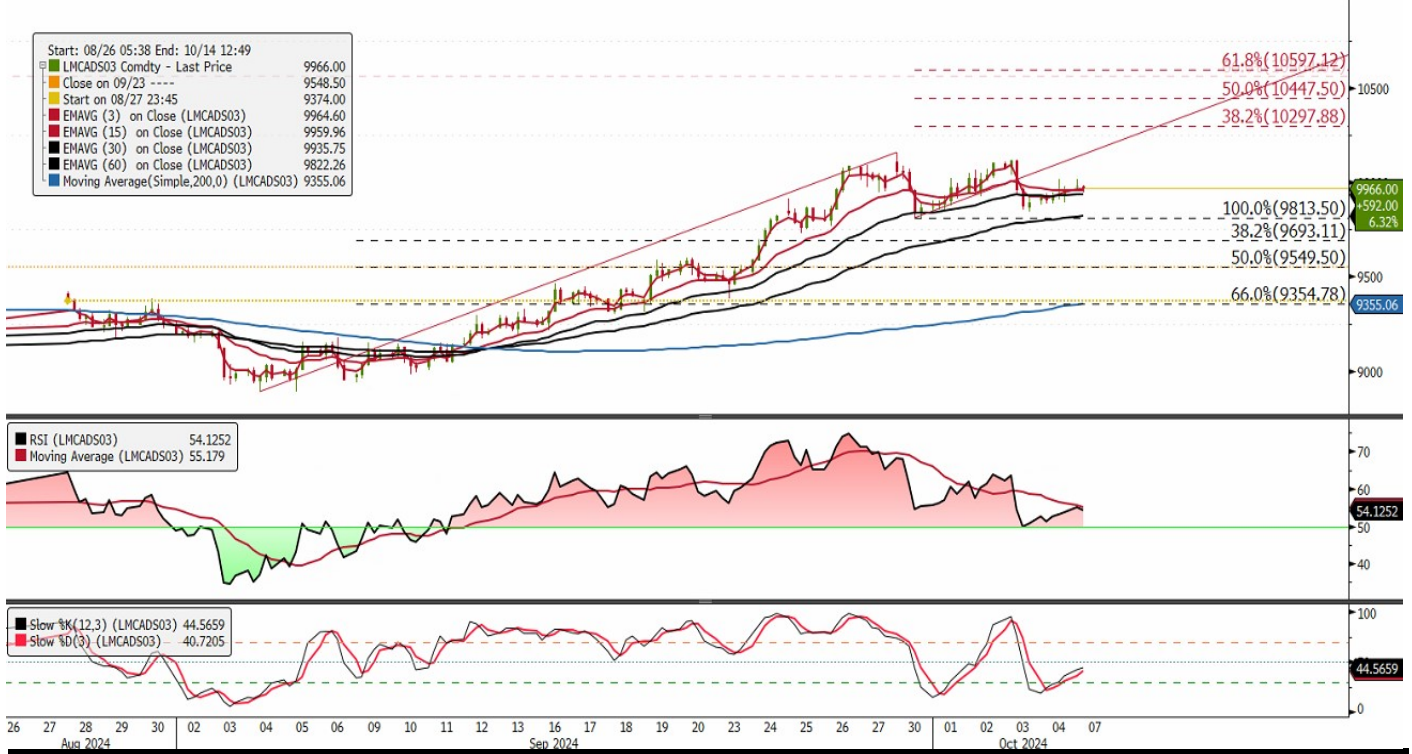
The position has come into focus as the price of October contracts has jumped above later-dated futures

The October-November spread traded at \$18-a-ton premium on Wednesday, after spiking above \$20 on Tuesday

NOTE: Bloomberg reported on the weekend that Trafigura had built a large long position in the October contract, citing people familiar with the matter

The October contract is due to expire in two weeks, and traders have complained to the LME that the move in the spread has been exacerbated by a warehousing company's decision to raise a key handling fee for traders who may wish to deliver metal back into their depots .(Bloomberg).

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,813	R1	9,950	RSI above 50	
S2	9,693	R2	10,158		
S3	9,549	R3	10,297		

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (54)
- Stochastic is below 50
- Price is above the daily pivot point USD 9,950
- Technically bullish on Friday, the failure to trade to a new high previously suggested that we remained in a corrective wave 4, implying the USD 9,813.5 fractal support could be tested and broken. The MA on the RSI indicated that we had light momentum weakness; however, the RSI was above 50 whilst the stochastic was oversold, meaning momentum was conflicting. Our Elliott wave analysis continued to suggest that downside moves should be considered as countertrend; we highlighted the USD 9,693 and USD 9,549 levels as a potential area of interest, as textbook Elliott wave 4 corrections tend to complete around the 38.2% - 50% retracement areas.
- The futures have seen a small move higher with price above the EMA support band, the RSI is above 50 whilst price and momentum are conflicting.
- A close on the 4-hour candle above USD 9,950 with the RSI at or above 57.5 will mean price and momentum are aligned to the buy side; likewise, a close below this level will mean it is aligned to the sell side. 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 futures remain in a corrective phase. The MA on the RSI is indicating that momentum remains weak at this point, warning that the USD 9,813.5 support still has the potential to be tested and broken. Our Elliott wave analysis continues to suggest that downside moves should be considered as countertrend; however, corrective phases have a tendency consist of 3-waves (A – B – C), warning that in theory there is still potentially further downside in the near-term.

# Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,650.5	RSI above 50	
S2	R2			
S3	R3			

Source Bloomberg

## Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (55)
- Stochastic is above 50
- Price is below the daily pivot point USD 2,657
- Technically bullish with a neutral bias on Friday, in theory, based on the lower timeframe wave cycle, it suggested we could still trade to a new high; However, the probability of this happening had started to decrease due to the depth of the pullback. The MA on the RSI implied that we had light momentum weakness, we were on an Elliott wave 5 with price breaking a key support. The technical suggested caution on upside moves.
- The futures did see a small move Friday; however, we are selling lower this morning. Price is above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,657 with the RSI at or above 60.5 will mean price and momentum are aligned to the buyside.
- Technically bullish with a neutral bias. As noted last week, there was still the potential for one more test to the upside; however, due to the move below USD 2,622 the probability of this happening has started to decrease, meaning we remain cautious on upside moves as the futures are on an Elliott wave 5. the RSI is rejecting its MA, meaning momentum is still weak, warning that the USD 2,606 fractal low from Thursday is looking vulnerable.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,065	R1	3,219	RSI above 50	
S2	3,021	R2	3,254		
S3	3,961	R3	3,304		

Source Bloomberg

## Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (58)
- Stochastic is above 50
- Price is on/below the daily pivot point USD 3,161
- Technically bullish on Friday, the futures were in a corrective phase that looked to be an Elliott wave 4. The MA on the RSI indicated that we had light momentum weakness, warning support levels could come under pressure. As noted previously, our wave analysis suggested that the move lower looked like it would be countertrend, making USD 2,961 the key support to follow. If broken, then the probability of the futures trading to a new high would start to decrease, warning the bullish wave cycle had a higher probability of failing.
- The futures did move higher on Friday, but we remain below the USD 3,209 fractal high. We are above all key moving averages with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 3,161 with the RSI at or above 62.5 will mean price and momentum are aligned to the buy side; likewise, a close below this level will mean it is aligned to the sell side. Downside moves that hold at or above USD 2,961 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI continues to warn that momentum is weak. As noted last week, the futures look to have entered a corrective Elliott wave 4, which should in theory be countertrend, making USD 2,961 the key support to follow. The RSI looks to be in the process of rejecting its MA; if price and momentum become aligned to the sell side, it will warn that there remains further downside within the corrective phase, leaving the USD 3,100 fractal low from Thursday vulnerable.



# Nickel Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	17,885	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 (62)
- Stochastic is below 50
- Price is on/on/above the daily pivot point USD 17,875
- Technically bullish last week, the downside move previously had produced a bullish intraday rejection candle, implying underlying support in the market. The MA on the RSI indicated that we had light momentum weakness; however, lower timeframe oscillators were yet to confirm that this was the corrective wave that we are looking for (the oscillators are lagging indicators). If we moved higher from here, before we saw a bearish cross, then it would suggest that the move was part of the lower timeframe bull trend. We maintained our view that downside moves look to be countertrend.
- The futures are moving sideways with price above the EMA support band whilst the RSI is above 50. Intraday price and momentum are conflicting, as the previous candle closed above the daily pivot level.
- A close on the 4-hour candle above USD 17,875 with the RSI at or above 71.5 will mean price and momentum are aligned to the buy side; likewise, a close below this level will mean it is aligned to the sell side. Downside moves that hold at or above USD 16,659 will support a bull argument, below this level the technical will have a neutral bias.
- Unchanged on the technical this morning, we remain bullish with downside moves considered as countertrend. As noted last week, lower timeframe oscillators were yet to confirm that this was the corrective wave that we are looking for (the oscillators are lagging indicators). If we move higher from here, before we see a bearish cross, then it will suggest that the move is part of the existing lower timeframe bull trend.

# Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,162	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (60)
- Stochastic is overbought
- Price is above the daily point (USD 2,148)
- Technically bullish last week, The MA on the RSI indicated that we had light momentum support. Our intraday Elliott wave analysis continued to suggest that we had the potential to trade as high as USD 2,216 within this phase of the cycle. However, we had a note of caution on upside breakouts above USD 2,161 due to the divergence in play, as it suggested they could struggle to hold.
- The futures remain supported with price trading to a new high. 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 2,148 with the RSI at or below 56.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,115 will support a bull argument, below this level the technical will have a neutral bias.
- Unchanged on the technical today, we remain bullish with the futures trading to a new high. However, as highlighted on Friday, this has created another negative divergence with the RSI. Not a sell signal it is a warning that we could see a momentum slowdown, which needs to be monitored. Our Elliott wave analysis continues to suggest that we have the potential to trade as high as USD 2,216 within this phase of the cycle. However, the divergence warns that the move could struggle to hold.

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