



Base Morning Technical Report

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

Al

(Bloomberg) -- Aluminum rose in Shanghai as Chinese fabricators rushed to front-load exports ahead of a tax rejig that'll start next month.

Yuan-priced contracts climbed 1% on the Shanghai Futures Exchange, gaining ground for a second day after dropping on Monday.

"Some fabricators are busy shipping out cargoes after foreign clients urged delivery ahead of schedule," said Li Jiahui, an analyst at Shanghai Metals Market. Still, the pick-up in volumes may be limited due to the short period before the change takes effect, as well as the availability of so-called semi aluminum products, many of which are customized, according to Li.

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,105	R1	9,216		
S2	8,864	R2	9,324		RSI below 50
S3	8,783	R3	9,470		

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 9,083
- Technically bearish yesterday, the MA on the RSI indicating that momentum was supported, warning the USD 9,179.5 fractal resistance was vulnerable in the near-term. However, our intraday Elliott wave analysis continued to suggest that upside moves look like they could be countertrend, meaning we maintained a cautious view on moves higher.
- Having initially seen a small test to the downside yesterday, the futures have continued to move higher on the back of the momentum support. We are between the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 9,083 with the RSI at or below 42 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 9,470 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 suggest that momentum is supported, meaning the USD 9,179.5 fractal resistance remains vulnerable. As noted previously, our intraday Elliott wave analysis continues to suggest that upside moves look like they could be countertrend, meaning we maintain a cautious view on moves higher.

Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,684	RSI above 50	
S2	R2			
S3	R3			

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (59)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,635
- We remained bearish with a neutral bias yesterday, the MA on the RSI continued to suggest that momentum was supported, whilst price was holding above key support, meaning resistance levels were still vulnerable. As noted previously, the upside move in price had resulted in the RSI breaking resistance, warning corrective moves lower had the potential to be countertrend. However, we noted that upside moves that rejected the USD 2,677 resistance would warn that the corrective move had the potential to be more complex, meaning the USD 2,568 support would become vulnerable.
- The futures have moved higher resulting with price breaching the USD 2,677 resistance in the Asian day session. We are above all key moving averages with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,635 with the RSI at or below 52.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,568 will support a near-term bull argument, below this level the technical will be back in bearish territory.
- Bearish with a neutral bias, the MA on the RSI is starting to flatten. However, early upside price action has broken key resistance, warning the USD 2,730 – USD 2,732 resistance zone is starting to look vulnerable. If we do sell lower and close on the 4-hour candle below the daily pivot level (USD 2,635), it will warn that buyside sentiment is weakening as price will be below yesterday's balance point.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,959	R1	3,015	RSI above 50	Stochastic overbought
S2	2,922	R2	3,043		
S3	2,870	R3	3,092		
			2,998		

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (51)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,959
- Technically bearish yesterday, the MA on the RSI continued to suggest that momentum was supported. However, the upside move on the 14/11 was due to a minor positive divergence, whilst this phase of the bearish lower timeframe Elliott wave cycle looked like it may have completed; meaning that although price action was bearish, we had a note of caution on moves lower at that point.
- The futures have seen a move higher, meaning we are 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 2,959 with the RSI at or below 47 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 3,015 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 implying that momentum is supported, warning the USD 3,015 resistance could be tested and broken. If it is, then the probability of the futures trading to a new low will start to decrease. As noted previously, we now have a note of caution on downside moves, as the Elliott wave looks like it may have completed this phase of the bearish cycle.

Nickel Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	15,861	R1	16,268	16,095	RSI above 50	Stochastic overbought
S2	15,842	R2	16,422			
S3	15,785	R3	16,685			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (56)
- Stochastic is overbought
- Price is above the daily pivot point USD 15,842
- Technically bearish yesterday, the downside move previously had failed to hold due to the divergence in play, whilst the MA on the RSI continued to suggest that momentum was supported. As noted previously, our Elliott wave analysis suggests that we have the potential to trade as low as USD 15,300 within this phase of the cycle; however, we remained cautious on downside moves due to the divergence in play.
- The futures continue to move higher on the momentum support with price now above the EMA resistance band. The RSI is above 50 with intraday price and momentum aligned to the buyside.
- A close on the 4-hour candle below USD 15,842 with the RSI at or below 45.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below 16,268 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, we continue to move higher on the divergence and momentum support, making USD 16,268 the key resistance to follow, a move above this level will mean that the probability of the futues trading to a new low will start to decrease. A noted previously, we remain cautious on downside moves due to the divergence in play. If the 4-hour candle starts to close below USD 15,928, it will imply that sell side pressure is increasing, warning support levels could come under pressure. Corrective moves lower that hold at or above USD 15,681 will support a near-term bull argument, warning the bearish wave cycle may have completed.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,033	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (57)
- Stochastic is overbought
- Price is above the daily point USD 1,996
- Technically bullish based on price yesterday, our Elliott wave analysis indicated that the move higher looked to be countertrend, making USD 2,022 the key resistance to follow. Above this level the probability of the futures trading to a new low would start to decrease.
- The futures have continued to trade higher with price above the USD 2,022 resistance, meaning the probability of the futures trading to a new low has started to decrease. We are above all key moving averages with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 1,996 with the RSI at or below 46 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 1,977 will support a near-term bull argument, below this level the technical will be back in bearish territory.
- Technically bearish with a neutral bias, the upside move has been deeper than expected, and goes against our Elliott wave cycle, meaning we are neutral. However, momentum is supported, and the RSI is making new highs, warning resistance levels are vulnerable.

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at freightinvestorservices.com