



# Base Morning Technical Report

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## Metals

(Dow Jones) -- 0907 GMT - Base metal prices slide, with LME three-month copper down 0.3% at \$8,996 a metric ton and LME three-month aluminum down 0.5% at \$2,619 a ton. Industrial metals have struggled in the wake of the U.S. elections and the rising dollar, while disappointments over the strength of Chinese stimulus measures have also weighed to the downside, BMI analysts say in a note. Copper sits down 6.4% on month, while aluminum is down 0.6% on month. The greenback had pushed higher on the back of the potential for higher inflation under the Trump presidency alongside lower Federal Reserve interest rate-cut expectations, BMI says. Looking ahead, Trump's victory presents a downside risk to base metal prices given rising expectations of a stronger-for-longer U.S. dollar, a headwind for base metals, BMI adds. ([joseph.hoppe@wsj.com](mailto:joseph.hoppe@wsj.com))

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,864	R1	9,050	Stochastic oversold	RSI below 50
S2	8,783	R2	9,216		
S3	8,698	R3	9,324		

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- The RSI below 50 (41)
- Stochastic is oversold
- Price is below the daily pivot point USD 9,050
- Unchanged on the technical on Wednesday, the MA on the RSI continued to suggest that momentum was supported, meaning the USD 9,179.5 fractal resistance remained vulnerable. As noted previously, our intraday Elliott wave analysis suggested that upside moves look like they could be countertrend, meaning we maintained a cautious view on moves higher.
- The futures traded to a high of USD 9,165 before entering into a corrective phase, meaning the USD 9,179.5 resistance has not been breached. Price is now below all key moving averages with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 9,050 with the RSI at or above 47 will mean price and momentum are aligned to the buyside. 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.
- Technically bearish, the MA on the RSI is implying that momentum is weakening. A small rejection candle on the daily chart on Wednesday has been followed by a lower close, warning that the USD 8,867 fractal low is starting to look vulnerable. Based on our Elliott wave analysis, we continue to maintain a cautious view on upside moves.

# Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,568	R1	2,620	Stochastic oversold	RSI below 50
S2	2,537	R2			
S3	2,485	R3			

Source Bloomberg

## Synopsis - Intraday

- Price is between the EMA resistance band (Black EMA's)
- RSI is below 50 (49)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,633
- Bearish with a neutral bias on Wednesday, the MA on the RSI was starting to flatten. However, early upside price action had broken key resistance, warning the USD 2,730 – USD 2,732 resistance zone was starting to look vulnerable. We noted that if we did sell lower and closed on the 4-hour candle below the daily pivot level (USD 2,635), it would warn that buyside sentiment was weakening, as price would be below the previous day's balance point balance point.
- The futures failed to trade higher with price closing below the USD 2,635 level into the close; sideways action yesterday means we are trading in the EMA support band. The RSI is near neutral at 49 whilst price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,633 with the RSI at or above 55.5 will mean price and momentum are aligned to the buyside. 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.
- The Elliott wave cycle is bearish with a neutral bias, near-term price action is neutral. The breach in resistance previously warned that resistance levels were vulnerable; however, yesterdays close on the daily chart warns that buyside momentum is slowing. This technical is conflicting, meaning we are taking a neutral stance today.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,990	R1	3,015	RSI above 50	Stochastic overbought
S2	2,922	R2	3,043		
S3	2,870	R3	3,092		

Source Bloomberg

## Synopsis - Intraday

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (54)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,990
- Technically bearish on Wednesday, the MA on the RSI implied that momentum was supported, warning the USD 3,015 resistance could be tested and broken. If it was, then the probability of the futures trading to a new low would start to decrease. As noted previously, we had a note of caution on downside moves, as the Elliott wave looks like it may have completed this phase of the bearish cycle.
- We have breached the USD 3,015 resistance, meaning that the probability of the futures trading to a new low has started to decrease. We are above the EMA resistance band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,990 with the RSI at or below 50 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,922 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 MA on the RSI is implying that momentum is supported. 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. However, if we do see an intraday close on the 4-hour candle below USD 3,000, it will warn that sell side momentum is increasing, leaving the futures vulnerable to an intraday pullback.

# Nickel Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	15,691	15,775	Stochastic oversold	RSI below 50
S2	15,605			
S3	15,460			
	R1	15,809		
	R2	16,268		
	R3	16,422		

**Synopsis - Intraday**

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (47)
- Stochastic is oversold
- Price is below the daily pivot point USD 15,809
- Technically bearish on Wednesday, we continued to move higher on the divergence and momentum support, making USD 16,268 the key resistance to follow, a move above this level would mean that the probability of the futures trading to a new low would start to decrease. As 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.
- The futures closed below the USD 15,928 level resulting in price selling below the USD 15,691 support, warning that we remain in the corrective phase. We are below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 15,809 with the RSI at or above 53 will mean price and momentum are aligned to the buy 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, the upside move has rejected the USD 16,268 resistance and breached the USD 15,691 support, warning there could still be further downside within this corrective phase. However, due to the positive divergence in play, we continue to have a note of caution on downside moves, as below USD 15,460 they could struggle to hold.

# Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,027	RSI above 50	
S2	R2			
S3	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (54)
- Stochastic is below 50
- Price is above the daily point USD 2,001
- Technically bearish with a neutral bias on Wednesday, the upside move had been deeper than expected, and went against our Elliott wave cycle, meaning we were neutral. However, momentum was supported, and the RSI was making new highs, warning resistance levels were vulnerable.
- The futures traded to a high of USD 2,043.5 before entering a corrective phase. However, the downside move has held above the USD 1,980 support, resulting in price moving higher. We are above the EMA resistance band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,001 with the RSI at or below 50.5 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. Support holding!
- Technically bearish with a neutral bias. The futures have broken key resistance with price holding above bull support, warning resistance levels are vulnerable. However, as noted previously, this goes against our Elliott wave cycle, as upside moves are considered as countertrend. Price action is looking bullish, but we maintain a neutral bias due to the wave cycle.