



Base Morning Technical Report

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

Metals

(Bloomberg) -- Base metals and iron ore climbed as the dollar dropped following US President-elect Donald Trump's measured pick for Treasury secretary.

All major contracts on the London Metal Exchange advanced, tracking gains in stocks and other risk assets. The US currency sank by the most in more than two weeks, boosting commodities priced in it, following the nomination of Scott Bessent, a hedge fund manager, to the key role.

Metals have endured a torrid few weeks since Trump's election, pressured by a sharp rise in the greenback and concerns that his trade policies could hit China, the world's top metals consumer. Investors expect Bessent to prioritize economic and market stability over more radical measures.

Traders were also tracking China's efforts to shore up its economy after its most aggressive stimulus effort since the pandemic. The country's central bank kept a policy-loan rate unchanged after last cutting it in September, as the authorities stayed patient in ramping up stimulus.

Copper — which capped an eighth weekly loss on Friday — rose 1.1% to \$9,062 a ton on the LME as of 2:58 p.m. in Singapore. Aluminum added 1.5%, while zinc gained 1%.

Iron ore advanced 1.6% to \$102.20 a ton in Singapore. Yuan-priced contracts rose in Dalian, along with steel futures in Shanghai.

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,984	R1	9,216	Stochastic oversold	RSI below 50
S2	8,864	R2	9,324		
S3	8,783	R3	9,470		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- The RSI below 50 (46)
- Stochastic is oversold
- Price is above the daily pivot point USD 8,984
- Technically bearish on Friday, the MA on the RSI implied that momentum was weakening. We noted that a small rejection candle on the daily chart on Wednesday had been followed by a lower close, warning that the USD 8,867 fractal low was starting to look vulnerable. Based on our Elliott wave analysis, we continued to maintain a cautious view on upside moves.
- The futures traded to a low of USD 8,938 on Friday; however, the USD basket has dropped in the Asian day session after the US President Elect picked Scott Bessent as the next Treasury Secretary, resulting in copper gapping higher on the open. We remain below 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 8,984 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 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 gap higher on the open has been followed by a bearish rejection candle on the 4-hour chart, warning we have seen market sellers at higher levels. A close on the 4-hour candle below USD 9,005 will warn that sell side momentum based on price is increasing, leaving the intraday futures vulnerable to a move lower. As noted previously, based on our Elliott wave analysis, we maintain our view that upside moves look like they could be countertrend. Price action warns that we could move lower; however, the USD basket had a bull day and bull close on Friday but opened today below and remains below Friday's open. The USD weakness does suggest caution, as it could lend buy side support to copper in the near-term. Market seller should probably wait for intraday price and momentum to become aligned to the sell side.

Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,651.5	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 (54)
- Stochastic is below 50
- Price is above the daily pivot point USD 2,625
- The Elliott wave cycle was bearish with a neutral bias on Friday, near-term price action was neutral. A breach in key resistance previously warned that resistance levels were vulnerable; however, Thursdays close on the daily chart warned that buyside momentum was slowing. The technical was conflicting, meaning we took a neutral stance.
- The futures sold to a low of USD 2,610 before finding bid support into the close; this has been followed by a move higher in the Asian day session on a weakening USD basket. We are above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,625 with the RSI at or below 49.5 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.
- Technically bearish with a neutral bias, the futures have formed a symmetrical triangle pattern, confirming near-term price action is neutral. Directional bias should in theory come on a breakout that holds outside of the triangle pattern (USD 2,653 – USD 2,625). Neutral.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,981	R1	3,015	RSI above 50	
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 (52)
- Stochastic is below 50
- Price is above the daily pivot point USD 2,981
- Technically bearish with a neutral bias on Friday, the MA on the RSI implied that momentum was supported. As noted previously, we had a note of caution on downside moves, as the Elliott wave looked 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 would warn that sell side momentum was increasing, leaving the futures vulnerable to an intraday pullback.
- The futures did close below USD 3,000 resulting in an intraday pullback; however, like the rest of the base complex, we have seen bid support in the Asian day session. 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 2,981 with the RSI at or below 49.5 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.
- Unchanged on the technical today, we remain bearish with a neutral bias, the MA on the RSI is now flat, implying momentum is neutral. 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 2,979, it will warn that sell side momentum is increasing (based on price), leaving the futures vulnerable to an intraday pullback.

Nickel Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	16,010	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 (53)
- Stochastic is above 50
- Price is above the daily pivot point USD 15,895
- Technically bearish on Friday, the upside move had 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 continued to have a note of caution on downside moves, as below USD 15,460 they could struggle to hold.
- Having breached the USD 15,691 support, the futures have seen a move 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 15,895 with the RSI at or below 48 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, the MA on the RSI is flat, implying momentum is neutral. As noted previously, the breach in support does warn that there could be further downside within this phase of the Elliott wave cycle; however, as price is moving higher on the back of a positive divergence with the RSI, we continue to have a note of caution on moves lower. Near-term price action is bullish; if we see a daily close below USD 15,887, it will warn that momentum based on price is weakening, warning support levels could come under pressure.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,037	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 2,020
- Technically bearish with a neutral bias on Friday. The futures had broken key resistance with price holding above bull support, warning resistance levels are vulnerable. However, as noted previously, this went against our Elliott wave cycle, as upside moves were considered as countertrend. Price action was looking bullish, but we maintained a neutral bias due to the wave cycle.
- The futures moved higher on the bullish price action, 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 2,020 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 1,980 will support a near-term bull argument, below this level the technical will be back in bearish territory. We noted last week that support had held.
- Technically bearish with a neutral bias, the probability of the futures trading to a new low is decreasing; the MA on the RSI is flat, implying that momentum is neutral. The downside move has held key support, having broken key resistance, warning resistance levels are vulnerable. If we see a close on the 4-hour candle below the daily pivot level, it will warn that sell side pressure is increasing, meaning support levels could come under pressure in the near-term.

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