



Base Morning Technical Report

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China

(Bloomberg) -- China's industrial firms saw profits decline for the third straight month, as worsening producer price deflation and sluggish factory output overshadowed the impact of recent stimulus measures.

Industrial profits at large Chinese companies fell 10% last month compared to a year ago, following a sharper 27.1% decline in September, the National Bureau of Statistics said in a statement Wednesday. Bloomberg Economics had forecast the year-on-year drop to be around 20%.

Profits shrank 4.3% in the first 10 months compared to the same period in 2023, on track for a third annual decline.

The earnings provide the first evidence of how business balance sheets have fared during a full month of activity following Beijing's largest effort to boost the economy since the pandemic. Industrial profits are a key measure of the financial health of factories, mines and utilities that can affect their investment decisions in the months to come.

"Although profits at large-scale industrial enterprises remain in decline, the quicker implementation of existing policies and the introduction of a package of incremental measures have led to some improvement in their performance," the statistics bureau said in the statement.

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,011	R1	9,033	9,027	RSI below 50
S2	9,007	R2	9,216		
S3	8,923	R3	9,324		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- The RSI below 50 (47)
- Stochastic is below 50
- Price is above the daily pivot point USD 9,007
- Technically bearish yesterday, intraday Elliott wave analysis continued to suggest that upside moves look to be counter-trend. The futures had formed a symmetrical triangle pattern, implying price action was neutral. In theory a close outside that held outside of the pattern (USD 8,967 – USD 9,083) would give near-term directional bias. Having rejected the EMA resistance band, the futures were rolling over to the sell side, suggesting the break could be to the downside, in line with our wave analysis.
- The futures held lower trend support yesterday, meaning we remain within the symmetrical triangle. We are 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 9,007 with the RSI at or below 43 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. We remain in the symmetrical triangle with directional bias coming from a close outside that holds outside of the pattern (USD 9,011 – USD 9,033), intraday Elliott wave analysis continues to suggest that upside moves should be countertrend. Price is at an inflection point as we are testing but holding above the weekly 200-period MA (USD 9,002). In theory this should be tested and broken; however, below USD 8,867 we will be in divergence with the RSI on the intraday, suggesting downside moves could struggle to hold below the longer-term average.

Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,618.5	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (48)
- Stochastic is oversold
- Price on the daily pivot point USD 2,618
- Technically bearish with a neutral bias yesterday. We noted that in theory, upside moves were considered as counter-trend based on our wave analysis; however, the depth of the pullback on the 15/11 warned that the probability of the futures trading to a new low had started to decrease. The failed upside breakout implied that buy-side momentum was weak, a move below the USD 2,610 fractal support would leave the USD 2,568 Fibonacci support vulnerable. If this level was broken, then the futures would be back in bearish territory, meaning the bearish Elliott wave cycle is back in play. Above USD 2,732 the technical would be bullish, meaning the wave cycle will have failed.
- The futures have sold lower on the failed upside breakout; however, price has found light bid support in the Asian day session. We are below the EMA support band with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,618 with the RSI at or above 53 will mean price and momentum are aligned to the buy-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 MA on the RSI is implying that we have light momentum weakness. A small upside rejection candle on the daily chart on the 25/11 has been followed by a lower close on the 26/11, warning the USD 2,568 Fibonacci support is starting to look vulnerable; if broken, the Elliott wave cycle will be back in bearish territory. However, if we close on the daily chart above USD 2,633, then market sellers should be cautious, as it will warn that momentum based on price on the daily timeframe is starting to strengthen.

Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	3,108	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (65)
- Stochastic is overbought
- Price is above the daily pivot point USD 3,056
- Technically bearish with a neutral bias yesterday, the MA on the RSI implied that momentum was supported. However, faster moving oscillators were overbought, warning the futures are starting to look vulnerable to an intraday pullback. As noted previously, we have a note of caution on downside moves, as the Elliott wave looked like it may have completed this phase of the bearish cycle, making USD 2,929 the key level to follow. if broken, then the futures would be back in bearish territory.
- No pullback yesterday, the futures remained supported with price trading to new highs, meaning the technical is now bullish. 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 3,056 with the RSI at or below 56 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,987 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI is implying momentum support. We noted yesterday that faster moving oscillators were overbought; however, we moved higher, meaning they remain overbought (to be clear, this is not a sell signal, but does need to be monitored). The new high has put price above the 200-period MA (USD 3,058), momentum is supported, and the RSI is making new highs; this would suggest that downside moves should be considered as counter-trend.

Nickel Morning Technical (4-hour)



Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (51)
- Stochastic is below 50
- Price is below the daily pivot point USD 16,058
- Technically bearish with a neutral bias yesterday, the MA on the RSI implied that we had light momentum support. The breach in the USD 16,268 resistance warned that the probability of the futures trading to a new low had started to decrease, suggesting caution on corrective moves to the downside. We noted that if we did trade below USD 15,874, it would warn that the USD 15,660 fractal support could be tested and broken.
- The futures traded to a low of USD 15,875 before finding bid support. We are above the EMA resistance 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 16,058 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 15,874 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 neutral. The technical is in balance, as we have broken key resistance with price creating a bullish rejection candle off the USD 15,874 support (circled). If the 4-hour candle trades above and closes above the high of the rejection candle (USD 16,020), it will warn that resistance levels could be tested and broken. Likewise, if we trade below the low of the candle (USD 15,875), then intraday stops are likely to be activated, meaning we move back into bear territory.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,020	R1	2,039	RSI above 50	
S2	2,009	R2			
S3	1,998	R3			

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (55)
- Stochastic is at 50
- Price is above the daily point USD 2,020
- Technically bearish with a neutral bias yesterday, the probability of the futures trading to a new low had started to decrease; the MA on the RSI was flat, implying momentum was neutral. Bullish price action has seen price break key resistance, against our Elliott wave cycle that had upside moves as countertrend. The futures had tested but price is currently holding above the weekly pivot level (USD 2,004), if we closed on the daily candle below this level, it would warn that the USD 1,982 support could be tested and broken. If it was, then the futures would be back in bearish territory, meaning the Elliott wave cycle was back in play. If the weekly pivot level holds, then resistance levels would remain vulnerable. We were at an inflection point (last week's balance point), meaning we are neutral until directional bias is established.
- The futures held the weekly pivot support resulting in price moving higher. We are 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 2,020 with the RSI at or below 51.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 1,982 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.
- Bearish with a neutral bias, the upside move off the pivot support is warning that resistance levels are starting to look vulnerable, above USD 2,060 the technical will be bullish. A close on the 4-hour candle below USD 2,025 will indicate that sell side pressure is increasing, leaving the futures vulnerable to an intraday move lower.

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