



Base Morning Technical Report

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Zn

(Bloomberg) -- Zinc retreated after surging earlier in the week on a massive order by Trafigura Group from London Metal Exchange warehouses and falling Chinese stockpiles.

The metal is still up around 5% this week as the outflows raised fears of a shortage. Orders to withdraw surged by 97,225 tons on the LME over the past two days, the most in more than a decade, with people familiar saying Trafigura was responsible.

In China, zinc inventories monitored by the Shanghai Futures Exchange have plunged by more than 40% over the last seven sessions.

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,976	R1	9,018	9,014.5	RSI below 50
S2	8,864	R2	9,073		
S3	8,783	R3	9,216		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- The RSI below 50 (46)
- Stochastic is below 50
- Price is below the daily pivot point USD 9,018
- Unchanged on the technical yesterday. We remained in the symmetrical triangle with directional bias coming from a close outside that held outside of the pattern (USD 9,011 – USD 9,033), intraday Elliott wave analysis continues to suggest that upside moves should be countertrend. Price was at an inflection point as we were testing but holding above the weekly 200-period MA (USD 9,002). We noted that in theory this should be tested and broken; however, below USD 8,867 price would be in divergence with the RSI on the intraday chart, suggesting downside moves could struggle to hold below the longer-term average.
- We remain in the triangle, price is below the EMA resistance band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 9,018 with the RSI at or below 43.5 will mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is aligned to the buy 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. Price remains in the symmetrical triangle (trend support/resistance USD 8,976 – USD 9,073), a close outside that holds outside of the pattern should give near-term directional bias. Elliott wave analysis suggests that upside moves should in theory be countertrend; however, the futures are trading on the weekly 200-period MA (USD 9,002), which is acting as a support in the market. The technical is bearish, price action in neutral.

Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,588	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 (44)
- Stochastic is oversold
- Price is below daily pivot point USD 2,602
- Technically bearish with a neutral bias yesterday, the MA on the RSI implied that we had light momentum weakness. A small upside rejection candle on the daily chart on the 25/11 had been followed by a lower close on the 26/11, warning the USD 2,568 Fibonacci support was starting to look vulnerable; if broken, the Elliott wave cycle would be back in bearish territory. However, if we closed on the daily chart above USD 2,633, then market sellers should be cautious, as it would warn that momentum based on price on the daily timeframe was starting to strengthen.
- The futures continue to sell lower but remain above the USD 2,568 support. We are 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 2,602 with the RSI at or above 49.5 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.
- Unchanged today. We remain technically bearish with a neutral bias; the MA on the RSI is implying that we have light momentum weakness. The futures are selling lower with price now approaching the USD 2,568 support; if broken, the Elliott wave cycle will be back in bearish territory. However, if we close on the daily chart above USD 2,625, then market sellers should be cautious, as it will warn that momentum based on price on the daily timeframe is starting to strengthen. Failure to trade below USD 2,568 will warn that there is an underlying support in the market; if we hold support, and price and momentum below aligned to the buyside, the probability of the futures closing above the USD 2,625 level will start to increase.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,073	R1	3,111	RSI above 50	Stochastic overbought
S2	3,044	R2	3,162		
S3	3,004	R3	3,181		

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (59)
- Stochastic is overbought
- Price is below the daily pivot point USD 3,111
- Technically bullish yesterday, the MA on the RSI implied that momentum was supported. We noted previously that faster moving oscillators were overbought; however, we moved higher, meaning they remained overbought (this was not a sell signal, but did need to be monitored). The new high had put price above the 200-period MA (USD 3,058), momentum was supported, and the RSI was making new highs; this suggested that downside moves should be considered as countertrend.
- The futures traded to a high of USD 3,168 before entering a corrective phase. We are above all key moving average with the RSI above 50, intraday price and momentum are aligned to the buyside, as the previous candle close was above the daily pivot whilst the RSI was above its average.
- A close on the 4-hour candle below USD 3,111 with the RSI at or below 60.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 3,004 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish but in a corrective phase. Lower timeframe Elliott wave analysis is suggesting that the move lower looks to be countertrend, making USD 3,004 the key support to follow. If broken, then the probability of the futures trading to a new high will start to decrease.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	15,975	R1	16,020	RSI above 50	
S2	15,874	R2			
S3	15,794	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (51)
- Stochastic is oversold
- Price is above the daily pivot point USD 15,932
- Technically bearish with a neutral bias yesterday, the MA on the RSI implied that momentum was neutral. We noted that the technical was in balance, as we had broken key resistance with price creating a bullish rejection candle off the USD 15,874 support (circled). If the 4-hour candle traded above and closes above the high of the rejection candle (USD 16,020), it would warn that resistance levels could be tested and broken. Likewise, if we traded below the low of the candle (USD 15,875), then intraday stops are likely to be activated, meaning we would move back into bear territory.
- The upside move in the futures failed to close above the USD 16,020 level, resulting in the futures trading below the USD 15,874 support, meaning we are back in bearish territory. The futures have opened with bid support, we are above the EMA resistance band with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 15,932 with the RSI at or above 54 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. Upside moves that fail at or below USD 16,268 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Note: resistance is back in play due to the breach in support.
- Technically we are bearish based on the move below USD 15,874. However, as noted previously, the futures have moved higher on the back of a positive divergence with the RSI. The move lower yesterday held above the weekly pivot level (USD 15,856) with price now above the daily pivot, implying buy side support. We remain cautious on moves lower; if we close below the weekly pivot, then the USD 15,460 fractal low will start to look vulnerable.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bull
S1	R1	2,052.5	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 (57)
- Stochastic is overbought
- Price is above the daily point USD 2,045
- Bearish with a neutral bias yesterday, the upside move off the pivot support warned that resistance levels were starting to look vulnerable, above USD 2,060 the technical would 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.
- The futures continued to move higher with price now in bullish territory. 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 2,045 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 2,026 will support a near-term bull argument, below this level the technical will be back in bearish territory.
- Technically bullish, the MA on the RSI is implying that we have light momentum support. Lower timeframe Elliott wave analysis is warning that downside moves look like they will be countertrend, making USD 2,026 the key support to follow. If broken, then the probability of the futures trading to a new high will start to decrease.

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