



Base Morning Technical Report

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Cu

(Bloomberg) -- Copper headed for its biggest weekly gain since September amid optimism demand may be gaining in China, the biggest consumer of the industrial metal.

There are fresh signs that consumption in China could be picking up, even during its traditional winter lull. Copper cathode inventories in Shanghai and Guangdong fell to 82,200 tons as of Thursday, near the lowest level in almost a year, according to data from Shanghai Metals Market. Premiums for domestic and imported cargoes rose to the highest since September and December respectively.

This week's gains come after copper fell 11% in 2024's last quarter, partly due to a strengthening dollar, which makes commodities priced in the currency more expensive. It's also been suppressed by lingering concerns around the Chinese economy, including the metals-intensive construction sector.

Looking ahead, investors will be studying US jobs data due later Friday that may help shape the outlook for Federal Reserve interest rates.

Copper rose 0.5% to \$9,121 a ton on the London Metal Exchange as of 11:37 a.m. in Shanghai, up 2.8% this week — the most since the end of September. Other metals also gained, with aluminum up 0.8% and zinc climbing 0.7%.

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,072	R1	9,124	RSI above 50	Stochastic overbought
S2	8,983	R2	9,194		
S3	8,881	R3	9,314		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- The RSI above 50 (63)
- Stochastic is overbought
- Price is above the daily pivot point USD 9,072
- Technically bullish yesterday, the futures were above the 200-period MA. We noted that if we held above the average and traded above the USD 9,124 resistance, then the probability of there being a larger bearish Elliott wave cycle in play would start to decrease. However, above USD 9,076, the futures would be in divergence with the RSI on the 1-hour timeframe, implying caution on upside moves above this level in the near-term.
- The futures have continued to move higher with price 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 9,072 with the RSI at or below 56.5 will mean price and momentum are aligned to the sell side. Upside moves that fail to or below USD 9,124 will warn that there is a larger, bearish Elliott wave cycle in play, above this level the technical will have a neutral bias. Downside moves that hold at or above USD 8,881 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the futures have tested but remain below the USD 9,124 resistance at this point; however, it is coming under pressure. If broken, then the probability of there being a larger bearish Elliott wave cycle in play will start to decrease. The 1-hour RSI remains in divergence with price, warning we could still see a momentum slowdown in the near-term. However, it is Friday and the futures are trading above the 200-period weekly MA (USD 9,011), if we close above and hold above this MA, it will support a longer-term buyer's argument.

Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,561	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 (59)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,529
- Bearish yesterday with the MA on the RSI continuing to suggest that momentum was supported at this point. As noted previously, we looked to be on an Elliott wave 5, implying caution on downside moves; however, we remained below key resistance at that point. If we did trade above USD 2,541, then the probability of the futures trading to a new low will start to decrease.
- The futures have continued to move higher on momentum support, resulting in the USD 2,541 resistance being broken. 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 2,529 with the RSI at or below 47.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,505 will support a bull argument, below this level the technical will be back in bearish territory.
- Technically bearish with a neutral bias, the probability of the futures trading to a new low has started to decrease. The MA on the RSI continues to suggest that momentum is supported, whilst the 5-wave pattern lower followed by the futures breaking key resistance suggests caution on downside moves, as they could fail to hold.

Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,870		RSI below 50
S2	R2			
S3	R3			

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (43)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,847
- Technically bearish yesterday, the 4-hour divergence had failed; however, we remained in divergence on the 1-hour timeframe. Not a buy signal, it warned that we could see a momentum slowdown which needed to be monitored. Elliott wave analysis continued to suggest that upside moves should be considered as countertrend, making USD 2,974 the key resistance to follow. If broken, the probability of the futures trading to a new low would start to decrease. We noted that having traded below the USD 2,838 level, the wave 3 was now longer than the wave 1, whilst price is still in divergence on the lower timeframe. For this reason, we remained cautious on moves lower at these levels, as the technical is warning we could soon see an intraday upside move.
- The futures have moved higher on the divergence. We remain below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,847 with the RSI at or below 33.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,974 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 indicating that we have light momentum support. Elliott wave analysis is suggesting that the upside moves should in theory be countertrend; however, we need to see further upside to confirm that this is the corrective wave 4 that we are looking for, as the lower timeframe oscillators are yet to cross.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	15,4442	R1	15,470	RSI above 50	Stochastic overbought
S2	15,300	R2			
S3	15,122	R3			

Synopsis - Intraday

Source Bloomberg

- 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 15,442
- We remain 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 continued to imply that momentum was supported, meaning resistance levels were vulnerable; above USD 15,680 the intraday technical would be bullish. However, faster moving oscillators warned that near-term price action was starting to look overbought, whilst the 1-hour RSI was in divergence, leaving the futures vulnerable to an intraday pullback. We noted that the initial 5-wave pattern lower, followed by a move higher on a positive divergence, suggested that downside moves now look like they could be countertrend.
- The futures have seen a small move higher; however, we have a small upside rejection candle on the Asian open. 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 15,442 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 15,122 will support a near-term bull argument; if broken, then the technical will be back in bearish territory.
- Unchanged on the technical today. We remain bearish with a neutral bias, the probability of the futures trading to a new low has started to decrease. The MA on the RSI continues to imply that momentum is supported, meaning resistance levels are vulnerable; above USD 15,680 the intraday technical will be bullish. However, faster moving oscillators are warning that near-term price action is starting to look overbought, whilst the 1-hor RSI is divergence, leaving the futures vulnerable to an intraday pullback. We should note that the initial 5-wave pattern lower, followed by a move higher on a positive divergence, suggests that downside moves now look like they could be countertrend.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bull
S1	1,931	1,955.5	Stochastic oversold	RSI below 50
S2	1,915			
S3	1,859			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is above 50 (51)
- Stochastic is below 50
- Price is above the daily point USD 1,931
- Technically we remained bearish yesterday, the MA on the RSI was flat, implying momentum was neutral. As noted previously, the 5-3-5 (A, B, C) wave pattern lower implies caution on downside moves, as this phase of the bearish Elliott wave cycle looked to have completed; However, the rejection of the USD 1,976 resistance did suggest that support levels were vulnerable. Technically, we maintained a cautious view on downside moves, if we did trade below the USD 1,920 low, the futures would be in divergence with the RSI, meaning we could struggle to hold on moves lower.
- The futures did trade to a new low; however, due to the divergence the downside move failed to hold, the futures are now trading USD 0.50 above the USD 1,955 resistance. We are between the EMA resistance 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 1,931 with the RSI at or below 47 will mean price and momentum are aligned to sell side.
- Technically bearish with a neutral bias, the probability of the futures trading to a new low has started to decrease. We were not expecting the USD 1,920 fractal low to be broken; however, the upside move on the divergence would suggest that the USD 1,975 fractal high is vulnerable. If broken, then the technical will be back in bullish territory.

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