



Base Morning Technical Report

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Cu

(Bloomberg)

Is copper a tall poppy that risks being cut down?

On the eve of what looks likely to be a gloves-off trade war, the metal — a go-to proxy for global growth — is on a surprising roll. Right ahead of Donald Trump's Jan. 20 inauguration, prices are up for a seventh day in London. That stands to be the longest run of gains since 2020.

Under the hood, there are some positive signals. The import premium in China has picked up ground, suggesting support. In addition, if Beijing gets targeted in a trade conflict — as seems certain — the authorities have already signaled they stand at the ready to buttress the economy in a bid to offset any blows.

But even so, if we get a rash of executive orders next week that herald trade tariffs, extra sanctions, or other, more surprising and disruptive content — copper wouldn't be on my favored list of assets to gain in those circumstances. That's especially so if the US dollar starts catching a bid again. Hands up, I've been getting this wrong so far. Let's see what comes down the pike.

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,156	R1	9,194	RSI above 50	Stochastic overbought
S2	9,083.5	R2	9,314		
S3	9,051	R3	9,464		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (59)
- Stochastic is overbought
- Price is above the daily pivot point USD 9,156
- Technically bullish yesterday, the MA on the RSI indicated that we had light momentum weakness. The futures were selling lower on the back of the negative divergence with the RSI, warning the USD 9,063.5 fractal support could be tested and broken. If it was, then this phase of the lower timeframe bullish Elliott wave cycle would have completed, warning the Fibonacci support zone could come under pressure. Key support is at USD 8,897, below this level the probability of there being a larger bull cycle in play would start to decrease. We noted that the the lower timeframe oscillator cross was marginal, if we held above the USD 9,063.5 level and trade to a new high, then we could see a bullish wave extension within the existing cycle. The caveat was that the RSI had broken support, implying a near-term upside breakout above 9,170 would be divergence, meaning we maintained a cautious view on upside moves at that point.
- The futures traded to a low of USD 9,083.5 yesterday, meaning we held above key fractal support. The following upside moves has resulted in the 4-hour divergence failing, meaning we have a small Elliott wave extension; however, we remain in divergence on the 1-hour timeframe. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buy side, as the MA was above the RSI on the previous candle close.
- A close on the 4-hour candle below USD 9,156 with the RSI at or below 59 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 8,918 will support a longer-term bull argument, below this level the Elliott wave cycle will have a neutral bias.
- Technically bullish, we have seen a wave extension higher but remain in divergence on the one -hour timeframe, meaning we maintain a note of caution on moves higher at these levels. A bearish rejection candle on the Asian open has been followed by price selling lower; if the 4-hour candle closes below USD 9,191, it will warn that sell side pressure is increasing. Likewise, a close below the low of the last dominant bull candle (USD 9,153) will further warn of weakening price action, leaving the USD 9,083.5 fractal support vulnerable. Below this level the near-term bullish wave cycle will have completed; however, corrective moves lower that hold at or above USD 8,918 will indicate that there could be a larger, bullish Elliott wave cycle coming into play. A cautious bull.

Aluminium Morning Technical (4-hour)

Reset



	Support	Resistance	Current Price	Bull	Bear
S1	2,596	R1	2,607	RSI above 50	Stochastic overbought
S2	2,588	R2			
S3	2,576	R3			

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (62)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,587
- Technically bullish yesterday, the MA on the RSI warned that we had light momentum weakness. The futures were seeing bid support off the Fibonacci support zone, whilst our Elliott wave analysis suggested caution on downside moves, making USD 2,528 the key support to follow. Below this level the probability of the futures trading to a new high would start to decrease. We noted that corrective patterns tended to consist of 3 waves, we had one wave lower from the USD 2,602 high, warning there could be further downside within this corrective phase.
- The futures held the Fibonacci support zone with price failing to produce a 3-wave pattern lower. We have traded to new highs, meaning we now look to be on a bullish impulse wave 5 for this phase of the cycle. Price is above all key moving averages with the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 2,587 with the RSI at or below 56.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,576 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI is flat implying momentum is neutral, whilst we have a negative divergence with the RSI on the 1-hour timeframe. Not a sell signal it is a warning that we could see a momentum slowdown, which will need to be monitored. Our Elliott wave analysis suggests that we have a potential upside target at USD 2,630 for this phase of the cycle. Bullish, we have a note of caution on moves higher due to the divergence in play.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,848	R1	2,844		
S2	2,807.5	R2	2,905		RSI below 50
S3	2,767	R3	2,931		

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (48)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,848
- Technically bearish yesterday, the MA on the RSI is implying that we had light momentum weakness. Intraday Elliott wave analysis suggested that we had the potential to trade as low as USD 2,682 within this phase of the cycle. However, price was now in divergence with the RSI, not a buy signal, it warned that we could see a momentum slowdown, which needed to be monitored.
- The futures failed to trade lower due to the divergence in play. We are below the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,848 with the RSI at or below 48 will mean price and momentum are aligned to the sell side.
- Technically bearish with a neutral bias, the upside move above the USD 2,871 means the probability of the futures trading to a new low has started to decrease. A 5-wave pattern lower, followed by a move higher on a divergence resulted in key resistance being broken, meaning we remain cautious on downside moves at these levels, as resistance levels look vulnerable.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	15,560	R1	15,835	RSI above 50	
S2	15,435	R2			
S3	15,265	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (59)
- Stochastic is below 50
- Price is below the daily pivot point USD 15,845
- Technically bullish yesterday, the MA on the RSI was starting to flatten, warning buyside momentum was slowing. The move above USD 15,920 previously created a minor negative divergence with the RSI; again, warning buyside momentum could slow, leaving the futures vulnerable to a technical pullback. However, our Elliott wave analysis suggested downside moves should in theory be countertrend, making USD 15,265 the key support to follow. If broken, then the probability of the futures trading to a new high would start to decrease. We were a cautious bull at these levels due to the divergence in play.
- The futures continue to move sideways with price above the EMA support band. The RSI is above 50 but price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 15,845 with the RSI at or above 65 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 15,265 will support a bull argument; if broken, then the technical will have a neutral bias.
- Technically bullish, the futures have now confirmed that that we have entered a countertrend corrective wave 4. The MA on the RSI is implying that we have very light momentum weakness; countering this, we are above the 200-period MA (USD 15,696); if we hold above the average, it will support a bull argument. Elliott wave analysis suggests that downside moves should be countertrend; however, above USD 15,965 the futures will be in divergence with the RSI, warning we could see a momentum slowdown on an upside breakout.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bull
S1	R1	1,953	Stochastic oversold	
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is below at 50
- Stochastic is oversold
- Price is above the daily point USD 1,935
- Unchanged on the technical yesterday, we remained bullish but with a neutral bias. The probability of the futures trading to a new high had started to decrease. I had doubled/trebled down and backed my Elliott wave analysis, and maintained a note of caution on moves lower, as the bear cycle looked to have completed. If we did trade to a new low (below USD 1,917), then we would be looking at a wave extension to the downside. The problem I has was that I couldn't see it coming. I was clear, this did not mean that I would be proved correct, it just meant that I could not see it using my wave methodology at that point.
- The futures traded to a low of USD 1,928 before finding light bid support in the Asian day session. Price is between the EMA resistance band with the RSI neutral at 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 1,935 with the RSI at or below 46 will mean price and momentum are aligned to sell side.
- Technically bearish with a neutral bias. Based on our Elliott wave analysis we maintain a note of caution on downside moves at this point.

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