



# Base Morning Technical Report

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## Metals

(Bloomberg) -- Metals from copper to aluminum moved higher after US President Donald Trump said he'd rather not use tariffs against China's exports, easing trade concerns for now and triggering a selloff in the dollar.

Five of the six main metals traded in London gained ground in the week's final session, with copper on course for its third consecutive weekly gain. In a Fox News interview that aired on Friday morning in Asia, the new US leader said tariffs offered a "tremendous power over China" but signaled a reluctance to deploy them. Trump also delivered praise for President Xi Jinping.

Commodity traders have been attempting to decode signals from the president about how he'll seek to impose his trade agenda, which carries the potential to snarl flows and blunt demand if hefty levies are used. The threat of US measures against China has weighed on industrial raw materials since Trump's election victory in November, with prices also under pressure earlier this week when he said he could put a 10% levy on Chinese goods.

Read More: [Trump Says He Would 'Rather Not' Have to Impose Tariffs on China](#)

Copper rose as much as 0.6% to \$9,284.50 a ton on the London Metal Exchange, and traded at \$9,277 at 12:01 p.m. in Shanghai. Aluminum added 0.8% and zinc both rose 1.2%, while iron ore futures in Singapore were up 0.7%.

Trump's latest comments, in which he also recounted a "friendly conversation" with Xi, triggered swings in currencies. The yuan strengthened to its highest level in six weeks, while the dollar fell, helping materials denominated in the US currency.

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,245	R1	9,327	RSI above 50	
S2	9,206	R2	9,390		
S3	9,190	R3	9,453		

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (59)
- Stochastic is above 50
- Price is above the daily pivot point USD 9,206
- Technically we remained bullish yesterday, the MA on the RSI implied that we had light momentum weakness with price moving lower on the negative divergence with the RSI. However, we had not closed below the low of the last dominant bull candle (USD 9,149), meaning we had a note of caution on moves lower until we got the bearish close. Conversely, upside moves above USD 9,297 would create further divergences with the RSI, warning buyside momentum could slow. The trend was bullish, price was consolidating, meaning we are taking a neutral view until we saw a bearish close below USD 9,149.
- The futures did produce a close below USD 9,149 yesterday (low close USD 9,145.5), before finding bid support in the afternoon session. However, we have since traded to new highs due to President Trump's comments on his reluctance to impose tariffs on China. 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 9,206 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 9,190 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the upside move has now confirmed the Elliott wave extension on our lower timeframe oscillators. However, the futures are in divergence with the RSI; not a buy signal, it is a warning that we could see a momentum slowdown, which needs to be monitored. Upside projections have now been adjusted due to the wave extension, meaning we now have the potential to trade as high as USD 9,453 within this phase of the cycle. We should highlight that the lower timeframe extension from the intraday low at USD 9,124 (20/01) is now very unclear at this point. In theory, we have a note of caution on moves higher due to the divergence; however, Elliott wave is the psychological footprint of the market, this could have changed due to Trump's comments. If we close on the 4-hour candle above USD 9,324 (the rising linear line from the low at USD 8,757), then the futures will target USD 9,382 in the near-term, as this is the 1 standard deviation resistance.

# Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,656	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 (57)
- Stochastic is below 50
- Price is above the daily pivot point USD 2,620
- Bullish but in a corrective phase yesterday, the MA on the RSI warned that momentum remained weak. We had the 200-period MA at USD 2,581, this was also an area of consolidated from the 10th – 15th Jan, making it a near-term downside target for market sellers. If we held above the longer-term average and saw a close above the daily pivot level (USD 2,632, this was also the high of the last dominant bear candle: note: the level was correct; however, I wrote Bull instead of bear yesterday), it would indicate buyside pressure was increasing, leaving the USD 2,671 resistance vulnerable. Likewise, a close below that held below the 200-period MA would warn that the USD 2,563 support could be tested and broken. If it was, then the probability of the futures trading to a new high would start to decrease, meaning the bullish Elliott wave cycle had a higher chance of failing. Based on our Elliott wave analysis, we continued to have a note of caution on downside moves at those levels, as they could struggle to hold.
- The futures held above the USD 2,597 Fibonacci support yesterday with price closing above the high of the last dominant bear candle today (USD 2,632). 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 2,620 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 2,563 will support a bull argument, below this level the technical will have a neutral bias. Likewise, upside moves that fail at or below USD 2,671 will warn that there could be further downside within the corrective phase.
- Technically bullish, the close above USD 2,632 is warning that the USD 2,671 resistance could be tested and broken; if it is, we target the USD 2,705 fractal high. However, a rejection of this level will warn that there could be further downside within this corrective phase. The move higher this morning is signalling that the technical condition is starting to strengthen, making USD 2,671 the key resistance to follow.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,860	R1	2,895	Stochastic oversold	RSI below 50
S2	2,845	R2	2,912		
S3	2,807	R3	2,936		

Source Bloomberg

## Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (47)
- Stochastic is oversold
- Price is above the daily pivot point USD 2,860
- Technically bearish yesterday, the MA on the RSI implied that momentum remained weak. The probability of there being a larger bullish Elliott wave cycle in play had started to decrease. Faster moving oscillators suggested that near-term price action was starting to look oversold; warning we could see an intraday move higher; however, the depth of the pullback meant that upside moves could struggle to hold. If we did close above the high of the last dominant bull candle (USD 2,894.5), then we could see the Fibonacci resistance zone come under pressure in the near-term.
- The futures sold to a low of USD 2,839 before consolidating for the remainder of the session, we have followed the rest to the base sector higher this morning. Price is 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 2,860 with the RSI at or below 43.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,936 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, in theory upside moves should be countertrend, making USD 2,636 the key resistance to follow. We have highlighted two dotted lines on the chart, these lines represent the 61.8% retracement (USD 2,875) and the 61.8% resistance (USD 2,929). The initial move lower consolidated above the USD 2,875 level, before selling just below the 78.6% Fibonacci support. It is not perfect, but it does mean that we may have a Gartley pattern in play (near-term bullish), warning we could test the USD 2,929 resistance in the near-term. This technical could be tight, if the Gartley pattern plays out, the USD 2,936 resistance will be vulnerable, if broken, then the probability of the futures trading to a new low will start to decrease.



# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	15,662	R1	15,755	Stochastic oversold	RSI below 50
S2	15,520	R2			
S3	15,323	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (47)
- Stochastic is oversold
- Price is above the daily pivot point USD 15,662
- Technically bearish yesterday, the MA on the RSI implied that momentum was weak. The futures had closed below the intraday 200-period MA (USD 15,710), if we hold below the average, the USD 15,323 support could come under pressure. Faster moving oscillators suggest near-term price action was oversold, meaning we could see an intraday move higher; however, we noted that corrective moves tend to consist of 3-waves (Elliott A – B – C), suggesting upside moves should be considered as countertrend.
- The futures consolidated on the oversold momentum before moving higher this morning. We are below the EMA resistance band with the RSI below 50, intraday price and momentum are conflicting, as the RSI was on its MA on the previous candles close.
- A close on the 4-hour candle above USD 15,662 with the RSI at or above 48.5 will mean price and momentum are aligned to the buy side. Likewise, a close below this level with the RSI at or below 44 will mean it is aligned to the sell side. Upside moves that fail at or below 15,936 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Downside moves that hold at or above 15,323 will imply that there is a larger, bullish wave cycle in play.
- The futures have held above the USD 15,520 support resulting in price closing back above the 200-period MA (USD 15,709), if we hold above the average, it will warn that resistance levels could come under pressure. As noted yesterday, corrective moves tend to consist of 3-waves (Elliott A – B – C), suggesting upside moves should be considered as countertrend at this point. However, the consolidation followed by the rejection candle does warn that we remain vulnerable to a move higher.

# Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	1,943	R1	1,969	RSI above 50	
S2	1,943	R2			
S3	1,933	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (51)
- Stochastic is below 50
- Price is above the daily point USD 1,957
- Technically bearish yesterday, the move lower had resulted in price closing below the low of the most recent dominant bear candle (USD 1,959), indicating weakening price action. However, we had broken key support (USD 1,943) and key resistance (USD 1,977) in the previous two days, indicating we lacked directional bias. For this reason, we had a neutral view on this technical.
- The futures traded to a low of USD 1,947 before moving higher this morning, we are above the EMA support band with the RSI near neutral at 51, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 1,957 with the RSI at or above 53 will mean price and momentum are aligned to buy-side. Likewise, a close below this level with the RSI at or below 48.5 will mean it is aligned to the sell side.
- Technically neutral, the EMA band is flat indicating a lack of directional bias, price and momentum are conflicting whilst the futures have recently breached key support and resistance.

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