



Base Morning Technical Report

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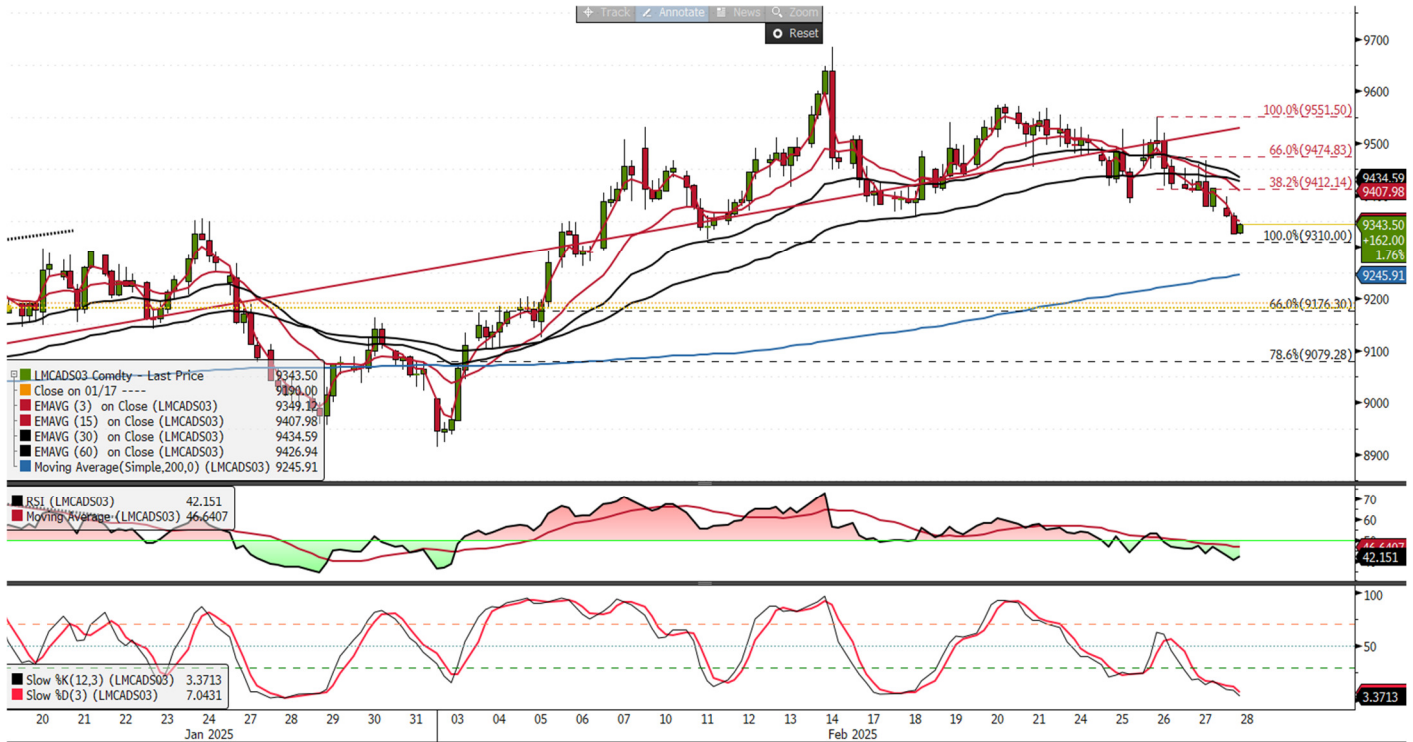
China

(Bloomberg) -- China's residential sales grew slightly in February, in a sign that the real estate market is stabilizing with continued policy support.

The value of new-home sales from the 100 biggest property companies rose 1.2% to 188 billion yuan (\$25.8 billion) from a year earlier, according to preliminary data from the China Real Estate Information Corp. That's after a 3.2% decline in January.

China is trying to put a floor under the real estate meltdown that's weighed on its economy for more than three years. A solid rebound in transactions is a prerequisite to stabilizing prices, according to Fitch Ratings.

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	9,310	R1	9,343.5	Stochastic oversold	RSI below 50	
S2	9,176	R2				9,415
S3	9,079	R3				9,474
					9,551	

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- The RSI below 50 (42)
- Stochastic is oversold
- Price is below the daily pivot point USD 9,415
- Technically bullish on the last report, the MA on the RSI implied that momentum remained weak, whilst price is below the linear regression line (USD 9,517). A close above that held above the line would warn that resistance levels could be tested and broken. As noted previously, our Elliott wave analysis continued to suggest that downside moves should be considered as countertrend, making USD 9,176 the key support to follow.
- The futures remain in a corrective phase with price rejecting the linear regression line, resulting in a move lower. We are below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 9,415 with the RSI at or above 49 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 9,176 will warn that there is potentially a larger, bullish Elliott wave cycle coming into play. Likewise, upside moves that fail at or below USD 9,474 will leave the futures vulnerable to further tests to the downside, above this level will warn the USD 9,551 fractal resistance could be tested and broken.
- Technically bullish, we remain in a corrective phase. The MA on the RSI implies that we have light momentum weakness, whilst the futures are approaching the USD 9,310 fractal support, if broken, the technical will be bearish based on price; however, the higher timeframe Elliott wave cycle is bullish, implying downside moves should be considered as countertrend, making USD 9,176 the key support to follow. If broken, then the probability of the futures trading to a new high will start to decrease. The higher timeframe technical is starting to look vulnerable as we are trading below the daily 200-period MA (USD 9,409), for upside continuation, we will need to close above and hold above the average, failure to do so will leave the USD 9,176 support vulnerable.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,618	R1	2,618	Stochastic oversold	RSI below 50
S2	2,585	R2			
S3	2,553	R3			

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (41)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,634
- We remain bullish but with a neutral bias on the previous report. The MA on the RSI warned that we had light momentum weakness; however, the average was starting to flatten, implying sell side momentum could be slowing down. We noted that we were back above the 1 standard deviation line from the linear regression (1-STDV USD 2,638—LR 2,676), warning we could look to test the USD 2,676 level. If rejected, it would warn of technical weakness; likewise, a close above that held above the line would leave the USD 2,698 Fibonacci resistance vulnerable. We remained cautious on downside moves at those levels due to the USD 2,638 and USD 2,624 support zone, whilst seeing signs that momentum was starting to slow, as it warned that we could see an intraday move to the upside. If we held support, then the Fibonacci resistance zone should come under pressure; conversely, if we close below and held below the USD 2,624 level, it will indicate sell side pressure is increasing. As noted previously, due to the depth of the pullback, the probability of the futures trading back to a new high had started to decrease.
- We traded to a high of USD 2,669, resulting in the futures rejecting the linear regression line and trading below the USD 2,624 support. We are below the EMA resistance 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 2,634 with the RSI at or above 47 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 2,694 will warn that there is further downside within this corrective phase, above this level the technical will be back in bullish territory.
- Technically bullish with a neutral bias, the probability of the futures trading to a new high is decreasing. The futures are now testing the intraday 200-period MA (USD 2,615), meaning we are at an inflection point. If we hold above the average and trade above the near-term fractal resistance at USD 2,652, then we could look to test the linear regression line (USD 2,673). Likewise, a close below that holds below the average will warn that the USD 2,583.5 fractal low could be tested and broken.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,774	R1	2,818	Stochastic oversold	RSI below 50
S2	2,756	R2	2,821		
S3	2,706	R3	2,846		

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (36)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,818
- Technically bearish previously, the MA on the RSI implied momentum remained weak, suggesting resistance levels should hold if tested in the near-term. The futures were at an inflection point, as we are trading on the linear regression line (USD 2,815). If we held above the line, the futures would be vulnerable to an intraday move higher; likewise, a close below that held below the line would warn that the USD 2,785 support could be tested and broken. If it was, then the probability of there being a larger, bearish Elliott wave cycle in play would start to decrease. Upside moves looked like they could be countertrend; however, we remained cautious on downside moves at those levels due to the linear support.
- We traded around the linear regression line (USD 2,806) before selling lower this morning. We are below the EMA resistance 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 2,818 with the RSI at or above 43 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 2,821 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the move below the

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Synopsis - Intraday

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (36)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,818
- Technically bearish previously, the MA on the RSI implied momentum remained weak, suggesting resistance levels should hold if tested in the near-term. The futures were at an inflection point, as we are trading on the linear regression line (USD 2,815). If we held above the line, the futures would be vulnerable to an intraday move higher; likewise, a close below that held below the line would warn that the USD 2,785 support could be tested and broken. If it was, then the probability of there being a larger, bearish Elliott wave cycle in play would start to decrease. Upside moves looked like they could be countertrend; however, we remained cautious on downside moves at those levels due to the linear support.
- We traded around the linear regression line (USD 2,806) before selling lower this morning. We are below the EMA resistance 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 2,818 with the RSI at or above 43 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 2,821 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the move below the USD 2,785 support is warning that the probability of there being a larger, bearish Elliott wave cycle in play is starting to decrease. However, the MA on the RSI is flat, implying momentum is neutral, whilst the 1-hour RSI is in divergence with price. This is warning that we are seeing signs of a momentum slow-down, meaning we have a note of caution on downside moves at these levels.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	15,600	R1	15,610	RSI above 50	Stochastic overbought
S2	15,499	R2			
S3	15,419	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (51)
- Stochastic is overbought
- Price is below the daily pivot point USD 15,745
- Technically bullish with a neutral bias on the last report, the probability of the futures trading to a new high had started to decrease. The MA on the RSI continued to imply that momentum remain weak, whilst the close below the dominant bull candle and the breach in the USD 15,441 level previously, implied support levels continue to look vulnerable. We maintained a note of caution on upside moves, as the weakening momentum suggested that resistance levels should hold if tested in the near-term.
- having traded to a low of USD 15,285 previously, the futures found bull support on Wednesday and Thursday, resulting in price trading to a high of USD 15,915. However, we have started to sell lower again on a negative divergence with the RSI. We are above the EMA support 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 15,745 with the RSI at or above 58 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 15,499 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI is implying that momentum is supported; however, price is selling lower on a negative divergence with the RSI, meaning we have a note of caution on upside breakouts above USD 15,915, as the technical suggests they could struggle to hold. If we do trade below USD 15,499, then the probability of the futures trading to a new high will start to decrease. .

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,001	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 (51)
- Stochastic is below 50
- Price is below the daily point USD 2,004
- Technically we were bullish on the last report with the MA on the RSI implying momentum is supported. Above USD 2,020.5 the technical will be in divergence with the RSI, implying caution on upside breakouts, as they could struggle to hold. In theory, resistance levels were vulnerable; however, we had seen a series of random price movement that had resulted in the intraday technical moving from bull to bear, almost daily. For this reason, we added a Bollinger band to illustrate near-term support and resistance. Bollinger band support and resistance was at USD 1,983—USD 2,014. We noted that it important to understand that the standard deviation bands move, to trade these bands it must be in conjunction with some form of rejection candle.
- The futures moved higher, created a negative divergence and a rejection candle with price closing back in the Bollinger band, resulting in the futures trading to a low of USD 1,988, before finding light bid support. We are above the EMA support 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 2,004 with the RSI at or above 55.5 will mean price and momentum are aligned to the buy side.
- Technically bullish with a neutral bias, the probability of the futures trading to a new high has started to decrease. As noted previously, due to the inconsistent price movement, meaning we will leave price in the Bollinger band to illustrate near-term support and resistance (Bollinger band support and resistance was at USD 1,981—USD 2,012). Neutral.

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