



Base Morning Technical Report

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

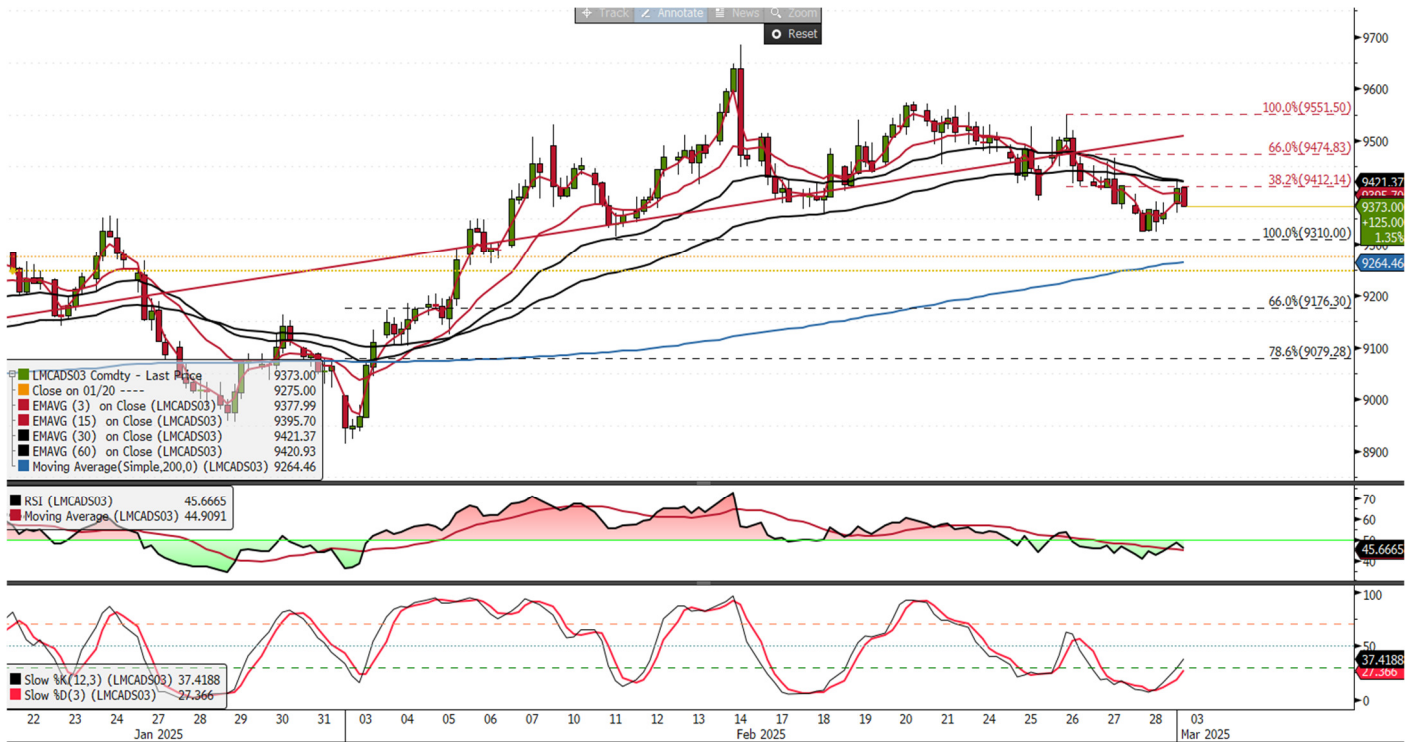
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(Bloomberg) -- Aluminum rebounded from the biggest weekly drop since September, after data showed an improvement in China factory activity and as investors looked ahead to a policy meeting in Beijing this week.

The lightweight metal climbed above \$2,620 a ton, after sinking more than 3% last week, with copper also gaining. China's official manufacturing purchasing managers' index rose above 50, returning to expansion, in sign of resilience in an economy hit by US tariffs and suffering from weak domestic demand.

Traders are also counting down to this week's National People's Congress, China's biggest political huddle of the year. The event kicks off on Wednesday, when Premier Li Qiang is scheduled to lay out the country's economic blueprint for the year, possibly detailing more state support.

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,361	R1	9,412	Stochastic oversold	RSI below 50
S2	9,310	R2	9,474		
S3	9,176	R3	9,551		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- The RSI below 50 (45)
- Stochastic is oversold
- Price is above the daily pivot point USD 9,361
- Technically bullish but in a corrective phase on Friday. The MA on the RSI implied that we had light momentum weakness, whilst the futures were approaching the USD 9,310 fractal support, if broken, the technical would be bearish based on price; however, the higher timeframe Elliott wave cycle was bullish, implying downside moves should be considered as countertrend, making USD 9,176 the key support to follow. If broken, then then probability of the futures trading to a new high would start to decrease. We noted that the higher timeframe technical was starting to look vulnerable, as we were trading below the daily 200-period MA (USD 9,409), for upside continuation, we would need to close above and hold above the average, failure to do so would leave the USD 9,176 support vulnerable.
- The futures did see an intraday move higher on Friday; however, the upside moves on the open this morning has seen price reject the daily 200-period MA (USD 9,401). We are below the EMA support band with the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 9,361 with the RSI at or below 43.5 will mean price and momentum are aligned to the sell 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.
- The near-term technical is bullish above USD 9,310 and bearish below (based on Price); however, the Elliott wave cycle remains corrective above USD 9,176. The rejection on the daily 200-period MA this morning continues to warn that the higher timeframe technical is starting to look vulnerable; if intraday price and momentum become aligned to the sell side, it will warn that the USD 9,310 fractal support could be tested and broken. The daily technical is at an inflection point, in theory downside moves should be considered as countertrend, but price needs to close above the daily 200-period MA for upside continuation.

Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,608	Stochastic oversold	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 (40)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,615
- Technically bullish with a neutral bias on Friday, the probability of the futures trading to a new high was decreasing. The futures were testing the intraday 200-period MA (USD 2,615), meaning we are at an inflection point. If we held above the average and traded 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 held below the average would warn that the USD 2,583.5 fractal low could be tested and broken.
- The futures closed traded below the intraday 200-period MA on Friday (USD 2,619), whilst the upside move on the open is in the process of rejecting the average. We are below all key moving averages with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,615 with the RSI at or above 45 will mean price and momentum are aligned to the buy side. Likewise, a close below this level with the RSI at or below 40.5 will mean it is aligned to the sell side. Upside moves that fail at or below USD 2,689 will warn that there is further downside within this corrective phase, above this level the technical will be back in bullish territory.
- Bullish but with a neutral bias, the probability of the futures trading to a new high has decrease, whilst the failure to hold above the 200-peirod MA suggests that the USD 2,600 fractal low will be tested and broken. Support levels remain vulnerable in the near-term; however, we have a note of caution on downside breakouts, as it will create a positive divergence with the RSI on the 1-hour timeframe. This is not a buy signal, but does warn that we could see a momentum slowdown, which needs to be monitored.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,804	R1	2,846	2,816.5	RSI below 50
S2	2,794	R2	2,883		
S3	2,774	R3	2,904		

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (46)
- Stochastic is at 50
- Price is above the daily pivot point USD 2,794
- Technically bearish on Friday, the move below the USD 2,785 support warned that the probability of there being a larger, bearish Elliott wave cycle in play was starting to decrease. However, the MA on the RSI is flat, implying momentum was neutral, whilst the 1-hour RSI was in divergence with price. This warned that we were seeing signs of a momentum slowdown, meaning we had a note of caution on downside moves at those levels.
- The futures moved higher on the divergence resulting in the USD 2,818 resistance being broken. 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 2,794 with the RSI at or below 40 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,794 will support a near-term 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, above USD 2,846 the intraday technical will be bullish. Due to the futures moving higher on the divergence and breaking key near-term resistance, we are now cautious on moves lower. If however we reject the USD 2,883 level, it will warn that there is potentially a larger bearish Elliott wave cycle in play.

Nickel Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	15,625	RSI above 50	
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (52)
- Stochastic is below 50
- Price is below the daily pivot point USD 15,616
- Technically bullish on the last report, the MA on the RSI is implied that momentum was supported; however, price was 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 suggested they could struggle to hold. If we did trade below USD 15,499, then the probability of the futures trading to a new high would start to decrease.
- The futures continued to sell lower on the negative divergence with the RSI, resulting in the USD 15,499 support below broken. We did see bid support into the close on Friday, and the Asian open this morning, meaning price is back above the EMA support band. The RSI is above 50 with intraday price and momentum conflicting.
- A close on the 4-hour candle above USD 15,616 with the RSI at or above 58.5 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 15,745 will leave the futures vulnerable to further tests to the downside, 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 has started to decrease. The MA on the RSI implies that momentum is starting to weaken, meaning we are now cautious on moves higher, making USD 15,745 the key resistance to follow.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	1,982	R1	1,989	Stochastic oversold	RSI below 50
S2	1,978	R2			
S3	1,965	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (46)
- Stochastic is oversold
- Price is below the daily point USD 1,994
- Technically bullish with a neutral bias on Friday, the probability of the futures trading to a new high had started to decrease. As noted previously, due to the inconsistent price movement, we continued to use the Bollinger band to illustrate near-term support and resistance (Bollinger band support and resistance were at USD 1,981—USD 2,012). We had a neutral view.
- The futures have sold lower with price below the EMA support 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 1,994 with the RSI at or above 52.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,010 will leave the futures vulnerable to further tests to the downside, above this level the technical will be back in bullish territory.
- Technically bullish with a neutral bias, the MA on the RSI implies that momentum is weak. The futures have closed below the trend support line (USD 1,991); however, we are holding above the Bollinger support (USD 1,982). If we close above and hold above the trend line, it will leave resistance levels vulnerable in the near-term; if rejected, the USD 1,978 fractal support should in theory be tested and broken. Our technical view remains neutral at this point, due to the sideways consolidation, but there are signs of weakness creeping in.

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