



Base Morning Technical Report

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(Bloomberg) -- The blows in this trade war are landing hard and fast. President Donald Trump delivered on his threat to hit Canada and Mexico with sweeping import levies and doubled an existing charge on China, spurring swift reprisals. The US new tariffs — 25% duties on most Canadian and Mexican imports and raising the charge on China to 20% — impact roughly \$1.5 trillion in annual imports. China hit back, imposing tariffs as high as 15% on US agricultural goods and banning exports to some defense companies. Among American goods hit: chicken, cotton, soybeans, beef and fruits. Canada retaliated with phased levies on \$107 billion worth of US goods.

And markets? Stocks in Europe retreated on concern the region could be next to face US tariffs. Chinese equities edged higher on speculation the country is taking a measured approach with its retaliatory tariffs, stopping short of a full-blown trade war. Investors will get a chance to hear more from Trump as he addresses Congress Tuesday.

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	9,310	R1	9,364		RSI below 50	
S2	9,176	R2				9,412
S3	9,079	R3				9,474

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- The RSI below 50 (45)
- Stochastic is below 50
- Price is below the daily pivot point USD 9,385
- The near-term technical was bullish above USD 9,310 and bearish below (based on Price) ; however, the Elliott wave cycle remained corrective above USD 9,176. The rejection of the daily 200-period MA yesterday continued to warn that the higher timeframe technical was starting to look vulnerable; if intraday price and momentum became aligned to the sell side, it would warn that the USD 9,310 fractal support could be tested and broken. The daily technical was at an inflection point, in theory downside moves should be considered as countertrend, but price needed to close above the daily 200-period MA for upside continuation.
- A mixed day in the futures with price testing both the downside and upside before effectively closing on the daily 200-period MA (USD 9,394). We have seen a small move lower on the open today, meaning the RSI remains below the EMA resistance band whilst the RSI is below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 9,385 with the RSI at or below 43 will mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is 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.
- Unchanged on the technical today. If price and momentum become aligned to the sell side and we trade below USD 9,310, then the USD 9,176 support will start to look vulnerable. As noted previously, for upside continuation, we will need to close above and hold above the daily 200-period MA.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,601	R1	2,605	Stochastic oversold	RSI below 50
S2	2,583.5	R2			
S3	2,560	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 2,614
- Bullish with a neutral bias yesterday, the probability of the futures trading to a new high had decrease, whilst the failure to hold above the 200-period MA suggested that the USD 2,600 fractal low would be tested and broken. Support levels remained vulnerable in the near-term; however, we have a note of caution on downside breakouts, as it would create a positive divergence with the RSI on the 1-hour timeframe. This was not a buy signal, but did warn that we could see a momentum slowdown, which needed to be monitored.
- The futures are consolidating around the USD 2,600 level. We are below all key moving averages supported by 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 44 will mean price and momentum are aligned to the buy side. Likewise, a close below this level with the RSI at or below 39.5 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.
- Unchanged on the technical this morning. We remain bullish with a neutral bias, meaning the probability of the futures trading to a new high has started to decrease. We remain cautious on downside breakouts below USD 2,600 as it will create a positive divergence on the 1-and-4-hour timeframes, warning we could see a momentum slowdown.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,801	R1	2,835	2,816.5	RSI below 50
S2	2,790	R2	2,856		
S3	2,772	R3	2,882		

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (46)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,835
- Technically bearish with a neutral bias yesterday, the probability of the futures trading to a new low had started to decrease, above USD 2,846 the intraday technical would 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 would warn that there is potentially a larger bearish Elliott wave cycle in play.
- The futures traded above the USD 2,846 level meaning the technical is now bullish based on price. We have sold lower on the open this morning, meaning price is below the EMA resistance band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 2,835 with the RSI at or below 43 will mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is aligned to the buy side. Downside moves that hold at or above USD 2,801 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI is implying we have momentum support at this point. Key support is at USD 2,801, below this level the probability of the futures trading to a new high will start to decrease. However, we have the linear regression line at USD 2,802; if we trade below but fail to close below this line it will indicate and underlying support in the market. Note: we consider the linear line as more important than the USD 2,801 level in this instance.

Nickel Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	15,820	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 (56)
- Stochastic is above 50
- Price is below the daily pivot point USD 15,831
- Technically bullish with a neutral bias yesterday, the probability of the futures trading to a new high had started to decrease. The MA on the RSI implied that momentum was starting to weaken, meaning we were now cautious on moves higher, making USD 15,745 the key resistance to follow.
- The futures had a strong impulse move higher, resulting in price trading above the USD 15,915 fractal resistance. We are above the EMA support band with the RSI above 50; however, price has sold lower on the Asian open, meaning price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 15,831 with the RSI at or above 57.5 will mean price and momentum are aligned to the buy side; likewise, a close below this level with the RSI at or below 53 will mean it is aligned to the sell side. Downside moves that hold at or above USD 15,541 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the upside move to a new high has resulted in price creating a negative divergence with the RSI. Not a sell signal, it is a warning that we could see a momentum slowdown which will need to be monitored. Due to the divergence in play, we remain cautious on upside moves at these levels.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	1,991		RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (48)
- Stochastic is below 50
- Price is below the daily point USD 1,992
- Technically bullish with a neutral bias yesterday, the MA on the RSI implies that momentum was weak. The futures had closed below the trend support line (USD 1,991); however, we were holding above the Bollinger support (USD 1,982). If we closed above and hold above the trend line, it would 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 remained neutral at that point, due to the sideways consolidation, but there were signs of weakness creeping in.
- The futures continue to trade around the trend line (USD 1,993), price is 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 1,992 with the RSI at or above 51 will mean price and momentum are aligned to the buy side. 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.
- Unchanged on the technical today. We remain bullish with a neutral bias, the MA on the RSI implies that momentum is weak. The futures remain below the trend support line (USD 1,993); however, we were holding above the Bollinger support (USD 1,983). If we closed 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 due to the sideways consolidation, but there were signs of weakness due to the bearish rejection candle closing below the trend support line.

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