



# Base Morning Technical Report

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## China

(Bloomberg) -- China's economy likely expanded just above the government's full-year growth target in the second quarter, easing pressure on Beijing to roll out additional stimulus in the near term.

Official figures due Tuesday are expected to show gross domestic product rose 5.1% year-on-year in the quarter ended June, according to a Bloomberg survey. While slower than the first quarter, it would still put first-half growth at 5.3%, comfortably above Beijing's annual target of around 5%, the survey shows.

# Copper Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	9,698.5		RSI below 50
S2	R2			
S3	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- The RSI below 50 (45)
- Stochastic is at 50
- Price is above the daily pivot point USD 9,662
- Technically bearish on Friday, the futures were holding above the 200-period MA with price trading in the Fibonacci resistance zone. We noted that if we held above the average the USD 9,773 level, resistance could come under pressure; if broken, then the probability of the futures trading to a new low would start to decrease. Conversely, a close below that held below the average would leave the USD 9,553.5 fractal support vulnerable. The depth of the pullback previously did suggest that upside moves had the potential to be countertrend, whilst price was nearing the two standard deviation resistance above the linear regression line at USD 9,723, which had the potential to act as resistance. The longer-term average would be key going forward, as market buyers would want to see price hold above this average.
- The futures rejected the linear regression resistance, resulting in price selling to a low of USD 9,606. We have seen bid support on the Asian open, resulting in price trading just above the intraday 200-period MA (USD 9,687). 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 9,662 with the RSI at or below 40 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 9,861 (revised higher) will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the futures are above the intraday 200-period MA; however, price is testing the weekly pivot level (USD 9,700), a daily close above this level will leave resistance levels vulnerable in the near-term. Conversely, a rejection of the USD 9,700 level with price closing and holding below the longer-term average will warn that the USD 9,553.5 fractal low could be tested and broken. A move above USD 9,861 will imply that the probability of the futures trading to a new low will start to decrease. With price trading on the 200-period MA, we are now at an inflection point, meaning near-term price action has a more neutral bias.

# Aluminium Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	2,567	R1	2,602	2,580.5		RSI below 50
S2	2,540	R2	2,624			
S3	2,526	R3	2,654			

Source Bloomberg

## Synopsis - Intraday

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (45)
- Stochastic is below
- Price is below the daily pivot point USD 2,602
- Bearish with a neutral bias on Friday, the MA on the RSI continued to suggest that momentum was supported. However, the upside move previously had failed to hold above the trend resistance line USD 2,617, suggesting caution on moves higher. If we did move higher and trade above the USD 2,624.5 fractal high, it would create a negative divergence with the RSI, not a sell signal, it warned that we could see a momentum slowdown, which would need to be monitored. As previously highlighted, whilst below the trend resistance line we continued to take a cautious view on upside moves.
- The futures have sold lower on the rejection of the trend resistance line. We are 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 2,602 with the RSI at or above 56.5 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 2,50314 will support a bull argument, below this level the Elliott wave cycle will be back in bear territory.
- The futures remain bearish with a neutral bias. The rejection of the trend resistance line (USD 2,624) means price is below the linear regression line (USD 2,603), implying sell side pressure is increasing. Whilst below the USD 2,624 level we remain cautious on upside move, as support levels are looking vulnerable.

# Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,740.5	Stochastic oversold	
S2	R2			
S3	R3			

Source Bloomberg

## Synopsis - Intraday

- Price is between the EMA support band (Black EMA's)
- RSI is at 50 (50)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,751
- Technically bullish on Friday, the MA on the RSI implied momentum was supported. Upside moves that traded above the USD 2,785 level would create a negative divergence with the RSI; not a sell signal, it warned that we could see a momentum slowdown. However, lower timeframe Elliott wave analysis suggests that intraday downside moves should be considered as countertrend, making USD 2,713 the key support to follow. If broken, then the probability of the futures trading to a new high would start to decrease. We noted that USD 2,786 was the double top formation on the daily technical, warning we could see some profit taking from recent market longs in the near-term.
- The futures have sold lower on the double top formation. Price is in the EMA support band with the RSI neutral at 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,751 with the RSI at or above 59.5 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 2,713 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish but in a corrective phase, the MA on the RSI implies we have light momentum weakness. The lower timeframe wave cycle has turned neutral on the pullback; however, we remain above the USD 2,713 level. If broken, then the probability of the futures trading to a new high will start to decrease. In theory, the USD 2,785 resistance remains vulnerable; the lower timeframe pullback means we do have a note of caution, meaning market bulls will need to see price hold the USD 2,713 level.



# Nickel Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	15,161	R1	15,265	15,235	RSI above 50	
S2	14,933	R2	15,480			
S3	14,785	R3	15,555			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (53)
- Stochastic is above 50
- Price is above the daily pivot point USD 15,222
- Technically bearish with a neutral bias on Friday, the probability of the futures trading to a new low had started to decrease. The MA on the RSI implied that momentum was supported, whilst price was just above the intraday 200-period MA (USD 15,279). We noted that the average will be key going forward, if we closed and held below it, then support levels could still come under pressure. Conversely, if we held above it, then it will further support a buyers argument. We were seeing market support; however, the close above the average was an intraday Doji cross, meaning there is some indecision in the market.
- The intraday Doji was followed by a move lower, meaning price is below the 200-period MA (USD 15,262); however, we have seen light bid support in the Asian day session. Price is above the EMA support band with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 15,222 with the RSI at or below 51 will mean price and momentum are aligned to the sell side. Likewise, a close above this level with the RSI at or above 55.5 will mean it is aligned to the buyside.
- Bearish with a neutral bias, the MA on the RSI implies that momentum is supported. Price is back below the intraday 200-period MA (USD 15,265); however, price has opened with bid support. The upside move previously means the probability of the futures trading to a new low has started to decrease; whilst the intraday move higher had volume support. Technically we remain supported at this point; however, for upside continuation, the futures need to see price close and hold above the USD 15,265 level, with price and momentum becoming aligned to the buyside. If we do, then resistance levels become vulnerable.

# Lead Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	2,010	R1	2,025	2,011	Stochastic oversold	RSI below 50
S2	1,990	R2	2,049			
S3	1,974	R3	2,071.5			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (38)
- Stochastic is oversold
- Price is below the daily point USD 2,025
- Technically bullish but in a corrective phase on Friday, the MA on the RSI implied that we had light momentum weakness. Elliott wave analysis continued to suggest that downside moves should be considered as countertrend, making USD 1,990 a key support to follow. A move below this level would mean that the probability of the futures trading to a new high would start to decrease. As the futures had failed to make a new high previously, we had a note of caution on downside moves at this point.
- The futures continued to sell lower but remain above the USD 1,990 support. We are 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 2,025 with the RSI at or above 47.5 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 1,990 (revised lower) will support a longer-term bull argument. Likewise, upside moves that fail at or below USD 2,049 will warn that there could be further downside within this corrective phase.
- We remain bullish but in a corrective phase with price above the intraday 200-period MA (USD 2,005); a close that holds below the average will warn that the USD 1,990 level could be tested and broken. If it is, then the probability of the futures trading to a new high will start to decrease. As noted previously, we had failed to make a new high and confirm the bullish impulse wave 5, meaning we remain cautious on corrective moves lower whilst above the USD 1,990 level.

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