



Base Morning Technical Report

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Al

(Bloomberg) -- Aluminum climbed for a seventh session ahead of this week's Federal Reserve meeting, which could lead to an interest-rate cut.

Benchmark aluminum on the London Metal Exchange rose alongside equities in Asia, with the metal on track for the longest run of gains in more than a year. Prices climbed as much as 0.6% to \$2,705 a ton — the highest level since March — before easing back.

Investors are waiting for the Fed's policy decision on Wednesday, with growing expectations of monetary easing weighing on the dollar and lifting industrial metals. Aluminum has been supported in recent weeks as requests to withdraw inventories surged, fueling ongoing concerns about supply.

Aluminum was 0.2% higher at \$2,694.50 a ton as of 12:18 p.m. in Singapore time. Copper was up 0.2%, with zinc and nickel also edging higher.

Copper Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	10,082	R1	10,164.5	Stochastic overbought
S2	10,003	R2	10,227	
S3	9,952	R3	10,326	
		10,089	RSI above 50	

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (62)
- Stochastic is overbought
- Price is above the daily pivot point USD 10,082
- Technically bullish on Friday, the MA on the RSI implied that momentum was supported; however, the 4-hour RSI was still divergent, whilst we had RSI resistance at 67.25, meaning we are cautious on upside moves at these levels. Countering this, the lower timeframe Elliott wave cycle had seen a bullish extension, meaning downside moves should be considered as countertrend, making USD 9,821 the key support to follow. If broken, the probability of the futures trading to a new high would start to decrease.
- The futures traded to a high of USD 10,126 with the RSI resistance holding, resulting in a small pullback. We are 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 10,082 with the RSI at or below 59.5 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 9,825 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI implies that momentum is supported; however, we continue to have RSI resistance at 67.25, meaning there remains a minor divergence in play. If we trade above the USD 10,126 fractal high with the divergence failing, the futures will look to test the long-term high at USD 10,164.5. Conversely, downside moves that hold at or above USD 9,825 will support a bull argument, warning there could be further upside within the cycle, below this level the probability of the futures trading to a new high will start to decrease. Elliott wave analysis continues to suggest that downside moves should be considered as countertrend. A cautious bull at these levels whilst the divergence is in play.

Aluminium Morning Technical (4-hour)



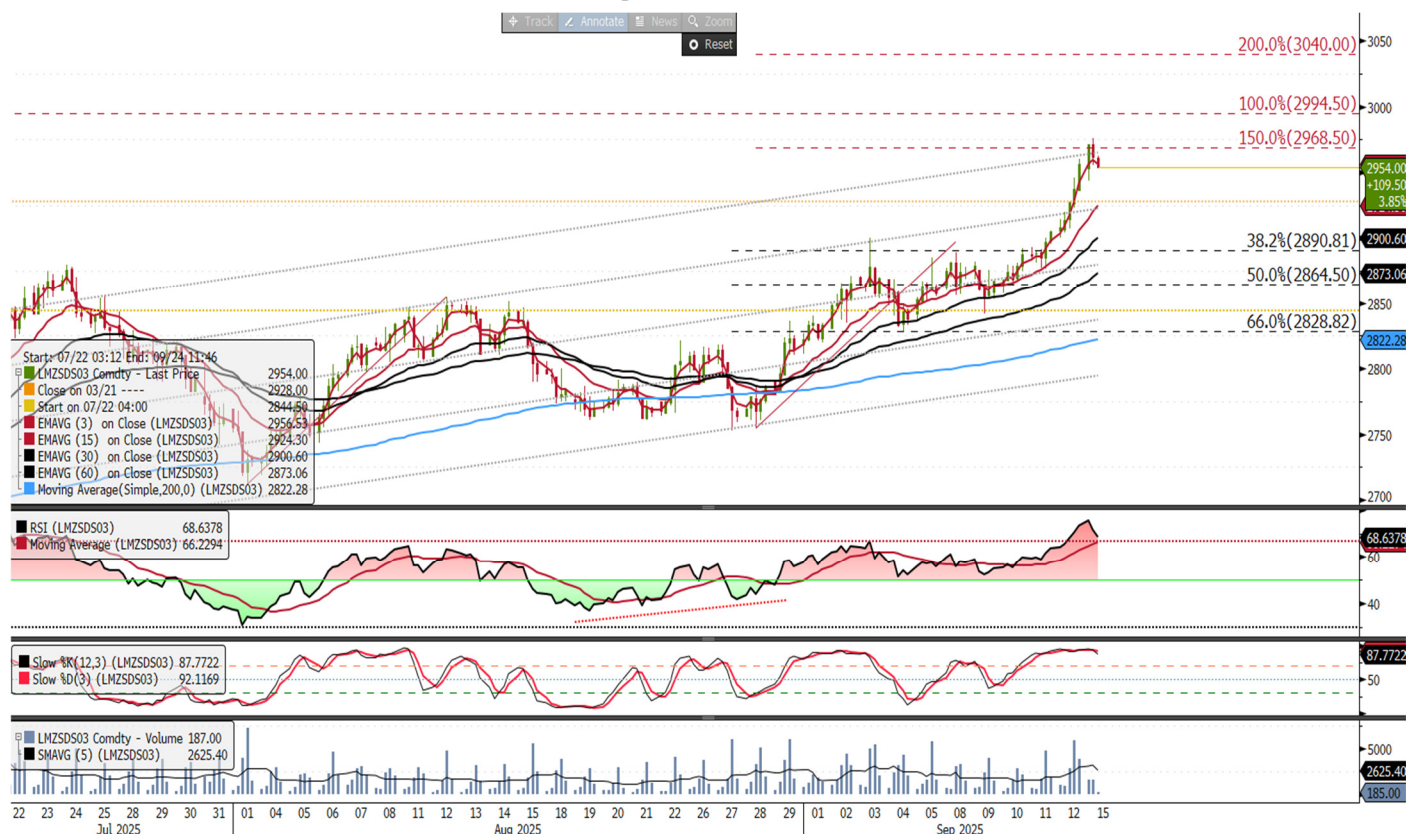
Support	Resistance	Current Price	Bull	Bear
S1	R1	2,689.5	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (70)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,688
- Technically bullish on Friday, the MA on the RSI implied that momentum was supported, whilst the RSI was making new highs alongside price, suggesting downside moves should be considered as countertrend. Key support was at USD 2,621, below this level, the probability of price trading to a new high would start to decrease. We noted that if we closed on Friday above the USD 2,664.5 level, it would signal a bullish breakout on the intraday and daily timeframes.
- The futures closed at USD 2,689.5 with price trading to a high of USD 2,705 in the Asian day session. 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 2,688 with the RSI at or below 66 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,628 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI implies that momentum is supported. The futures are finding resistance one standard deviation above the linear regression line (USD 2,705), resulting in a small intraday pullback. Elliott wave analysis continues to suggest that downside moves should be considered as countertrend, whilst a move above USD 2,705 will be considered as a continuation within the current bull wave, as the pullback is considered as two shallow to qualify as the countertrend move that we are looking for. We are cautious on upside moves at these levels as price has moved lower on a 1-hour divergence.

Zinc Morning Technical (4-hour)



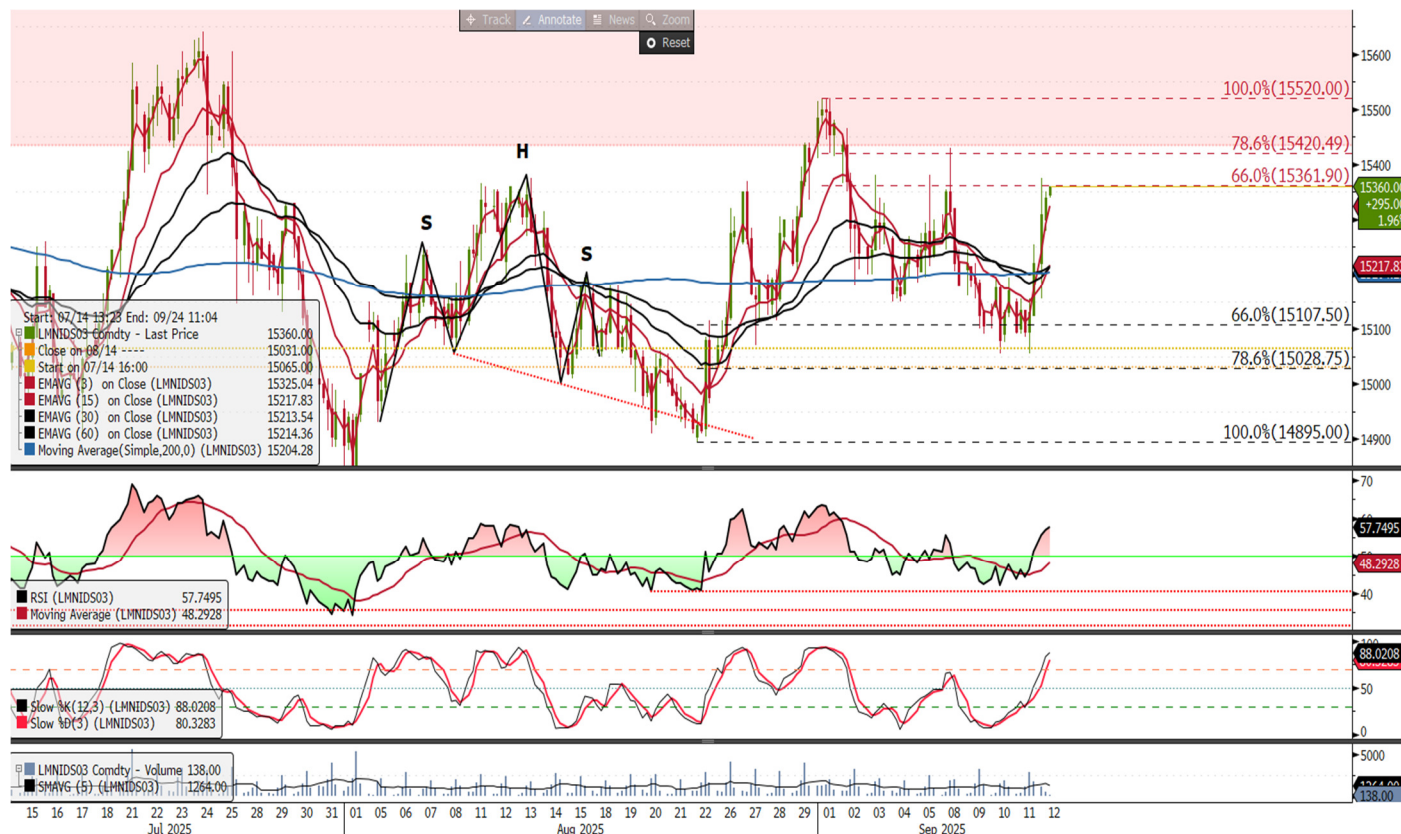
Support		Resistance		Current Price	Bull	Bear
S1	2,939	R1	2,968	2,954	RSI above 50	Stochastic overbought
S2	2,890	R2	2,994			
S3	2,864	R3	3,040			

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (68)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,939
- Technically bullish on Friday, the MA on the RSI implied that momentum was supported. The 4-hour RSI remained in divergence whilst testing its resistance, meaning price was vulnerable to an intraday pullback; however, the upside move had volume support, whilst our Elliott wave analysis continued to suggest the move higher was bullish impulse, implying downside moves should be considered as countertrend. A close that held below the linear regression line (USD 2,872) would indicate sell side pressure was increasing, making USD 2,809 the key support to follow. If broken, then the probability of price trading to a new high would start to decrease.
- The futures traded to a high of USD 2,976 resulting in the divergence failing. 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 2,939 with the RSI at or below 64 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,828 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI implies that momentum is supported. However, we are finding resistance two standard deviations above the linear regression line (USD 2,965), suggesting we are starting to look overextended to the upside at this point. Elliott wave analysis implies that downside moves should be considered as countertrend, making USD 2,828 the key support to follow. A cautious bull due to the linear resistance.

Nickel Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	15,315	R1	15,441	15,425	RSI above 50	Stochastic overbought
S2	15,213	R2	15,220			
S3	15,107	R3	15,680			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (60)
- Stochastic is overbought
- Price is above the daily pivot point USD 15,315
- Technically bullish last week, the MA on the RSI implied that momentum was supported. The upside moves had seen the RSI break near-term resistance, suggesting downside moves should be considered as countertrend, making USD 15,107 the key level to follow. If broken, then the probability of the futures trading to a new low would start to decrease. Having moved higher on the 3-wave correction the upside move was looking like it could be bullish impulse, we noted that if we trade above the USD 15,430 resistance, we would target the USD 15,520 fractal high.
- The futures have traded to a high of USD 15,440, 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 15,315 with the RSI at or below 51.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 15,107 will support a bull argument, below this level the technical will have a neutral bias. Note: the support is back in play due to resistance being broken.
- Technically bullish, the MA on the RSI implies momentum is supported, whilst the move above USD 15,430 is warning that the USD 15,520 fractal high is vulnerable. As noted last week, a 3-wave corrective pattern has been followed by a break in key resistance, suggesting the move looks to be bullish impulse, implying downside moves should be considered as countertrend.

Lead Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	2,009	R1	2,023	2,013.5	RSI above 50	Stochastic overbought
S2	2,001	R2	2,042			
S3	1,996	R3	2,057			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (63)
- Stochastic is overbought
- Price is above the daily point USD 2,009
- Technically bearish on Friday, the MA on the RSI implied that momentum was supported, whilst price was above the intraday and daily 200-period moving averages, if we hold above them it would further support a buyer's argument. Upside moves that trade above the USD 2,007 fractal resistance would target the USD 2,013 level. If broken, then the probability of there being a larger bearish cycle in play would start to decrease. Market sellers would need to be cautious above the USD 2,019 level, as this was the previous months high; if broken, it could attract CTA buying looking to test the monthly fractal resistance at USD 2,073. The futures needed to close and hold above the USD 1,993—USD 1,992 support, otherwise it will negate the current bull move.
- The futures have traded to a high of USD 2,220. 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 2,009 with the RSI at or below 56.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 1,988 will support a bull argument, below this level the technical will have a neutral bias.
- The move above the USD 2,019 fractal resistance means that the technical is bullish based on price, whilst the move above USD 2,012 means that the probability of there being a larger, bearish Elliott wave cycle in play has started to decrease. The RSI is making new highs alongside price, implying downside moves should be countertrend, making USD 1,988 the key support to follow. If broken, then the probability of the futures trading to a new high will start to decrease. The breakout above USD 2,019 does indicate that buyside pressure is increasing, as we have broken the previous months high. The breakout at USD 1.00 is not yet definitive, but suggests market sellers should be cautious.

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