



Base Morning Technical Report

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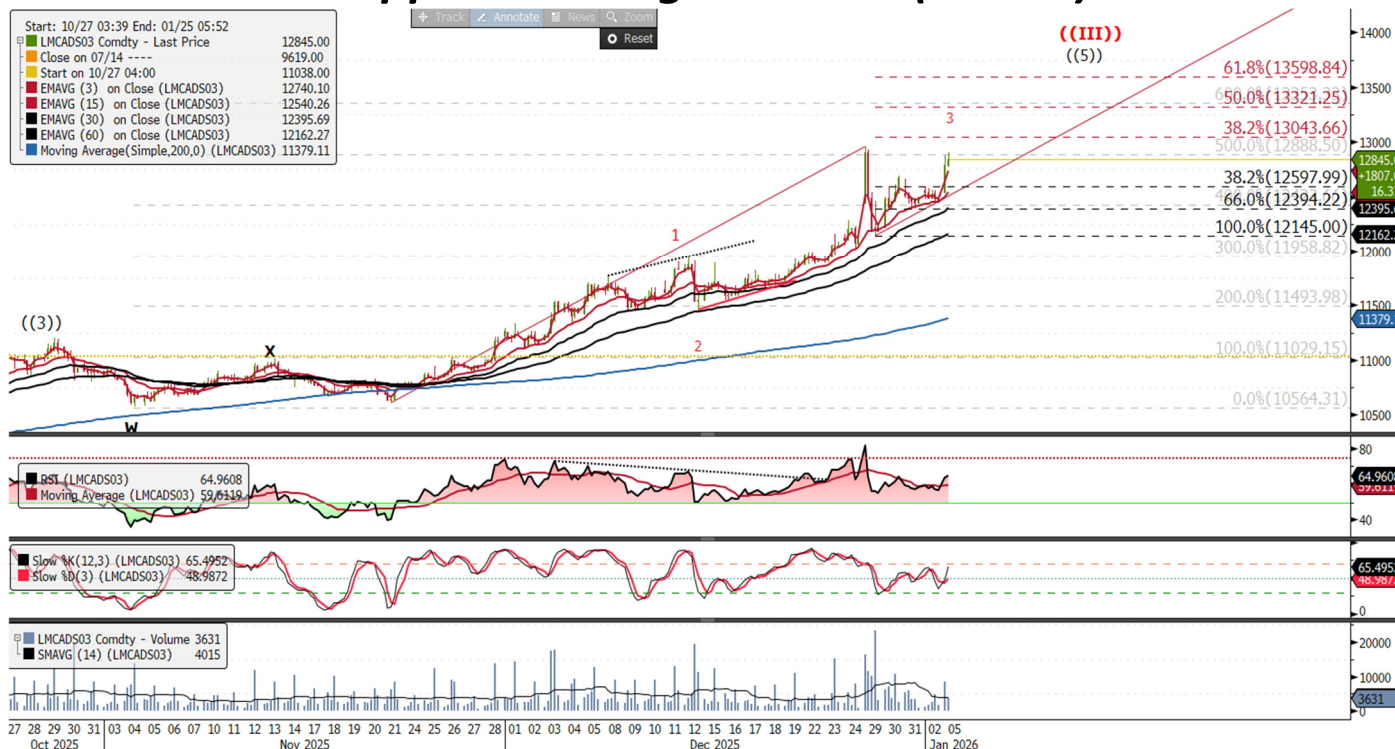
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(Bloomberg) -- Copper surged toward a record on concerns about tightening supplies in the new year, as well as a risk-on mood in wider markets.

Benchmark futures rallied about 3% in London, approaching the peak just below \$13,000 a ton set last week. Concerns about potential US tariffs have led traders to ramp up shipments to that country, tightening conditions elsewhere. In addition, the start of a strike at the Mantoverde mine in Chile was a reminder of scope for risks to supplies at a time of expanding global demand.

All base metals were stronger on Monday, as Asian equities climbed to a record aided by bets on technology shares. More broadly, investors were assessing the wider implications of the US seizure at the weekend of Venezuelan leader Nicolas Maduro, including Washington's evolving stance toward the resources that are central to security and economic growth. Copper was up 0.7% to \$11,966.50 a ton by 11:56 a.m. Shanghai time. Aluminum, zinc and nickel also all rose.

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	12,597	R1	13,043	RSI is above 50	
S2	12,499	R2	13,321		
S3	12,394	R3	13,598		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI is above 50 (64)
- Stochastic is below 50
- Price is above the daily pivot point USD 12,499
- Technically bullish on the last report, the MA on the RSI implied that momentum was supported. We were in divergence dating back to the 28 of the November; however, the RSI had broken near-term resistance, indicating intraday downside moves should be considered as countertrend, making USD 11,636 the key support to follow. If broken, then the probability of price trading to a new high would start to decrease.
- The futures continue to move higher with price 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 12,499 with the RSI at or below 57.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 12,394 will support a near-term bull argument, below this level will signal that the futures are potentially in a corrective wave 4.
- Technically bullish, the move lower on the 29/12 failed to confirm that it was a lower timeframe corrective Elliott wave 4, if we trade above the USD 12,960 fractal high, it will indicate that we have seen a bullish wave extension. Downside moves should be considered as countertrend at this point, making USD 12,394 the key near-term support to follow. A move below this level before we trade above the USD 12,960 high will imply that price remains within a corrective phase.

Aluminium Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	3,020	R1	3,062	3,049.5	RSI above 50	Stochastic overbought
S2	3,008	R2	3,096			
S3	3,005	R3	3,137			

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (69)
- Stochastic is overbought
- Price is above the daily pivot point USD 3,008
- Technically bullish on the last report, the MA on the RSI implied that momentum was supported whilst intraday Elliott wave analysis suggested that downside moves should be considered as countertrend, making USD 2,887 the key support to follow. Below this level the probability of the futures trading to a new high would start to decrease.
- The futures continued to trade higher with price remaining 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 3,008 with the RSI at or below 62.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,984 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the upside move has resulted in a lower timeframe Elliott wave extension (count adjusted on chart). Technically, our analysis remains the same, as downside moves should still be considered as countertrend. The MA on the RSI implies that momentum is supported, whilst the upside move has volume support, implying the USD 3,096 resistance could be tested and broken. Key support is at USD 2,984, if broken, then the probability of the futures trading to a new high will start to decrease.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,128	R1	3,179	RSI above 50	Stochastic overbought
S2	3,121	R2	3,219		
S3	3,104	R3	3,241		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (59)
- Stochastic is overbought
- Price is above the daily pivot point USD 3,128
- Unchanged on the technical on the last report, we remained bearish with the MA on the RSI implying that momentum was supported, whilst the futures were above the 200-period MA, meaning we remained vulnerable to an intraday moves higher in the near-term. However, our Elliott wave analysis suggested that upside moves should be considered as countertrend, making USD 3,156 the key resistance to follow. If we closed and held below the trend support line (USD 3,060), then we would be looking at a bear flag. At this point, the technical would suggest that we move lower.
- The futures have traded above the USD 3,156 resistance, 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 3,128 with the RSI at or below 52.5 will mean price and momentum are aligned to the side. Downside moves that hold at or above USD 3,081 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 MA on the RSI implies that we have light momentum support. The upside move above USD 3,156 means that the probability of the futures trading to a new low has started to decrease, warning we could potentially be entering a bullish higher timeframe Elliott wave cycle. Corrective moves that hold at or above USD 3,081 will further support a buyer's argument; if broken, then price will be back in bear territory. We are currently neutral but highlight the technical condition looks to be strengthening.