



# Base Morning Technical Report

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## Nickel

(Bloomberg) -- Nickel extended gains for a fourth day after top supplier Indonesia reaffirmed it'll cut output sharply this year.

The country will issue production quotas of between 260 million and 270 million tons of nickel ore this year, Director General of Minerals and Coal Tri Winarno said. The goal is slightly above a previous estimate of between 250 million and 260 million tons, but significantly less than the 379 million tons targeted in 2025.

Indonesia is trying to boost prices of the metal amid a persistent surplus. Though higher than the earlier estimate, volumes below 270 million tons are still viewed as bullish for global prices, said Fan Jianyuan, an analyst with Shanghai-based consultancy Mysteel Global, adding that quota issuance should be completed by March.

## Copper Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	13,160	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

### Synopsis - Intraday

Source Bloomberg

- Price is on the EMA support band (Black EMA's)
- The RSI is above 50 (52)
- Stochastic is overbought
- Price is above the daily pivot point USD 13,114
- Technical outlook Tuesday : Bearish. The RSI moving average implied that we had light momentum support; however, volume remained light on the recent move higher, indicating a lack of conviction, suggesting market buyers should act with caution at that point. The EMA band was flat, implying we lacked directional bias, while the RSI at 50 was neutral. Technically, we continued to see signs of neutrality, while light volume indicated caution on upside moves.
- The futures have seen a small move higher with price above the EMA support band, the RSI is above 50 while intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 13,114 with the RSI at or below 48.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 11,940 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Neutral
- On price the technical is still considered as bearish. However, the RSI moving average is moving higher while the stochastic is above 75, both indicators suggest that we are seeing signs of momentum support, warning resistance levels could come under pressure in the near-term. However, we continue to see light volume; if we see a volume increase while moving higher, it will indicate an increase in buyside pressure, warning the USD 13,809 Fibonacci resistance could be tested. Conversely, upside moves on low volume will struggle to hold, momentum support will help to an extent, but the volume is the conviction and energy needed for a sustained move.

# Aluminium Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	3,101	R1	3,123	3,115	RSI above 50	Stochastic overbought
S2	3,072	R2	3,126			
S3	3,066	R3	3,167			

Source Bloomberg

## Synopsis - Intraday

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (52)
- Stochastic is overbought
- Price is below the daily pivot point USD 3,101
- Technical outlook Tuesday: Cautious Bear—evidence of support is leaving resistance vulnerable. Unchanged on the technical yesterday, we continued to be cautious on downside moves as there was evidence of buy-side support emerging. The RSI moving average implied momentum support, while the stochastic was above 70, confirming buy-side pressure was increasing. The small upside move previously did have volume support; a close below the low of the last dominant bull candle at USD 3,091 would warn that buy-side pressure was fading. Conversely, if price moves and held back above USD 3,134 level it would warn that the USD 3,227 resistance could come under pressure.
- Sideways action yesterday, the futures are seeing light bid support on the open. We are above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buy-side.
- A close on the 4-hour candle below USD 3,101 with the RSI at or below 48.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,821 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Cautious bear—evidence of support—testing 1-hour resistance.
- With the RSI moving average moving higher while the stochastic is above 70, we continue to see momentum support on the technical; however, price action has stagnated. As highlighted previously, a close below the low of the last dominant bull candle at USD 3,091 would warn that buy-side pressure was weakening. Conversely, a sustained move above the USD 3,134—USD 3,136 fractal resistance would leave the USD 3,227 Fibonacci resistance vulnerable. We highlight USD 3,126 as level of interest, as it is the 1-hour 200-period moving average which also looks to be 2 standard deviations above the 1-hour 20-period MA (Bollinger resistance). We have momentum support but need to see price break near-term resistance on increased volume for upside continuation.

# Zinc Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	3,383	R1	3,460	3,422.5	RSI above 50	Stochastic overbought
S2	3,377	R2	3,503			
S3	3,323	R3	3,575			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (60)
- Stochastic is overbought
- Price is above the daily pivot point USD 3,383
- Technical outlook Tuesday. Resistance remains vulnerable, but lacks volume support. The RSI moving average implied that we had momentum support, as did the intraday 3-white candle pattern, the stochastic was above 70, confirming the RSI support. However, the upside move lacked volume support, suggesting caution on moves higher unless this increased, we also noted that above USD 3,387.5 the futures would have a minor divergence in play with the RSI. Not a sell signal, if the RSI failed to make a new high alongside price, it would signal momentum weakness. Momentum was supported; however, there were warning signals on this technical, as highlighted previously, if price and momentum started to conflict, we would have a neutral bias.
- Having stagnated for most of the session the futures moved higher into the close, supported by the RSI making new highs, meaning the minor negative divergence has failed. 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 3,383 with the RSI at or below 54 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below the USD 3,460 will leave the futures vulnerable to further tests to the downside, above this level the Elliott wave cycle will re-enter bullish territory.
- Technical outlook. Resistance remains vulnerable, but lacks volume support
- The upside move into the close yesterday had RSI confirmation on the new high with price. The RSI moving average continues to move higher, while the stochastic is above 70, both momentum indicators are showing support. We also have a trend support line that has formed at USD 3,383, while the moving average band is diverging, price is supporting momentum. The only negative is the low volume; however, the USD 3,460 resistance is now vulnerable. If broken, price (Elliott) will re-enter bull territory. Market buyers should be cautious on high volume rejection candle below USD 3,460.