



Base Morning Technical Report

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News

U.S.

FOMC Rate decision—75 basis point hike.

China

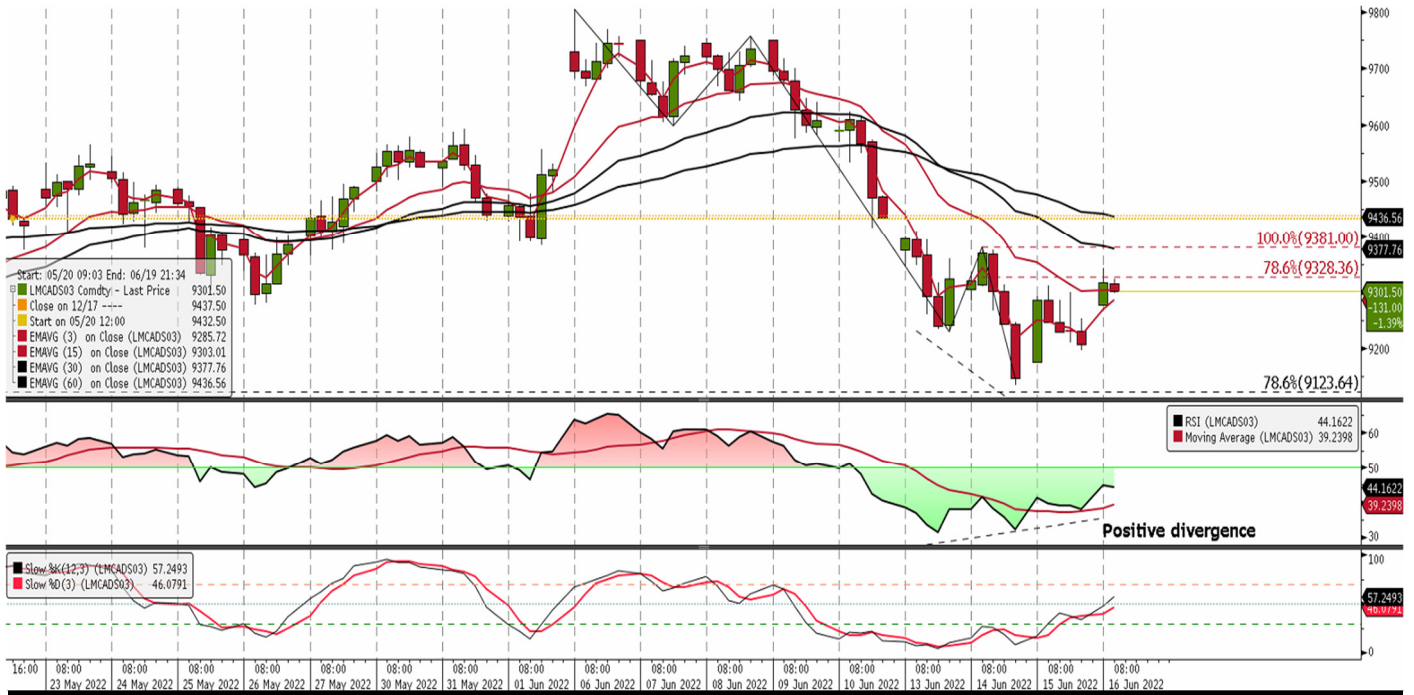
China's home prices fell for a ninth month in May, signaling demand remains weak despite increased government support for the slumping property market.

New home prices in 70 cities, excluding state-subsidized housing, dropped 0.17% last month from April, when they slid 0.3%, National Bureau of Statistics figures showed Thursday. (Bloomberg).

AU

Aluminum rises in the Asian morning session, helped by upbeat Chinese industrial output data released Wednesday, analysts say. National Bureau of Statistics data show that primary aluminum production in China rose for a second consecutive month in May to reach an all-time high, ING strategists say in a research note. Aluminum production jumped 3.1% on year and 1.8% on month to 3.4 million tons, as power constraints eased and aluminum smelters restarted operations together with the addition of new production capacity, the strategists add. The three-month LME aluminum contract is up 1.95% at \$2,643.00 a ton. (Bloomberg/WSJ).

Copper Morning Technical (4-hour)



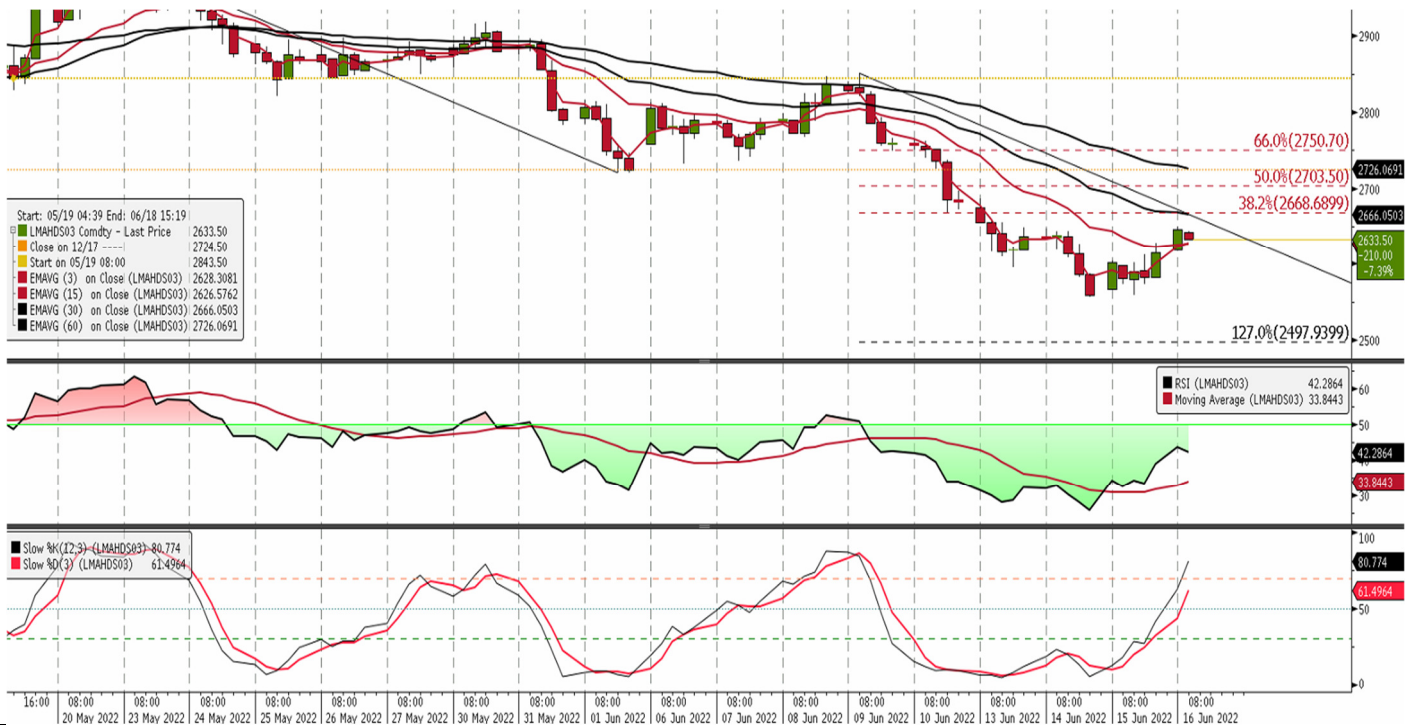
	Support	Resistance	Current Price	Bull	Bear
S1	9,239	R1	9,328		RSI below 50
S2	9,197	R2	9,381		
S3	9,135	R3	9,436		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA Resistance band (Black EMA's)
- RSI is below 50 (44)
- Stochastic is below 50
- Price is above the daily pivot point USD 9,39
- We noted yesterday that the futures had the potential to exhaust soon, resulting in price trading above the USD 9,297 resistance, the intraday technical is bearish but with a neutral bias. 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 9,239 with the RSI at or below 37 will mean price and momentum are aligned to the sell side.
- Upside moves above the USD 9,381 fractal resistance will create a higher high in the market, at this point the intraday technical is bullish.
- Having moved higher off the positive divergence, the RSI is now above its EMA which is starting to slope higher, suggesting downside support levels could hold if tested.
- Technically bearish with a neutral bias, we continue to see positive momentum signals, suggesting the USD 9,381 resistance could be vulnerable.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,593	R1	2,668	RSI below 50	
S2	2,556	R2	2,703		
S3	2,497	R3	2,750		

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (42)
- Stochastic is overbought
- Price is above the daily pivot point 2,593
- We noted yesterday the RSI was starting to flatten whilst the daily RSI maintained a marginal divergence, warning that upside resistance levels could be tested. The futures have moved higher but remain below the resistance zone. 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 2,593 with the RSI at or below 31.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,750 remain vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above the USD 2,851 fractal resistance is the intraday technical bullish.
- Our intraday Elliott wave analysis does suggest there is the potential for one more move to the downside. The EMA band (black) is starting to flatten indicating the trend is less stable, whilst the MA on the RSI is starting to move higher, suggesting momentum is finding support at these levels. The upside move has broken a small intraday swing high; however, this is not a fractal resistance, meaning USD 2,750 is the key near-term resistance to follow.
- Technically bearish with the potential to test the USD 2,556 support, below this level the futures are not considered a technical sell at this point.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	3,621	R1	3,723.5	RSI at 50	Stochastic overbought	
S2	3,582	R2				3,815
S3	3,513	R3				3,865

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is at 50 (50)
- Stochastic is overbought
- Price is above the daily pivot point USD 3,630
- The upside move on the 14/06 was not high enough for my wave count, suggesting this wave 5 lower has extended, for this reason we have changed our Fibonacci levels a little. Price is trading in the EMA resistance band with the RSI at 50, intraday price and momentum are aligned to the buyside.
- Downside moves that close on the 4-hour candle below USD 3,630 with the RSI at or below 39 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 3,815 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Above USD 3,845 the futures will have broken an intraday fractal resistance meaning the technical is bullish based on price. However, based on our intraday Elliott wave analysis, we think there has been a wave extension to the downside, meaning the intraday technical remains bearish (Based on the wave count) below USD 3,693.50, suggesting we have the potential for one more test to the downside.
- The RSI is neutral at 50 with the stochastic in overbought territory, momentum is indicating that we are vulnerable to further tests to the downside. However, if the RSI holds above 50 the overbought stochastic is less relevant. A flat EMA band is indicating the trend is no longer stable.
- Technically bearish, there are warning signs that price and momentum are firming, at this point we will maintain our bearish view based on our wave analysis.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	25,041	R1	25,872	Stochastic oversold	RSI below 50
S2	23,528	R2	27,292		
S3	21,600	R3	27,752		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (39)
- Stochastic is oversold
- Price is below the daily pivot point USD 25,872
- Technically unchanged - As noted yesterday the divergence warned that the futures were vulnerable to a test to the upside, resulting in price moving higher. 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 25,872 with the RSI at or below 36.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 28,375 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically we remain unchanged, the futures remain bearish with the RSI in divergence with price, not a buy signal it is warning we have the potential to see a momentum slowdown soon and needs to be monitored.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,100.50		RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (42)
- Stochastic is below 50
- Price is above the daily pivot point USD 2,088
- Technically bearish with a neutral bias, the futures were not considered a technical sell on a new low. We did see a test to the downside, but price held above the USD 2,065 fractal support. 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 2,088 with the RSI at or below 38,213 will mean price and momentum are aligned to the sell side. Like yesterday, upside moves above USD 2,116.50 will mean the intraday technical is bullish.
- The daily pivot point is unchanged, implying the futures have started to consolidate, downside moves that create a new low will create a second positive divergence, meaning we maintain our view that the futures are not considered a technical sell on a new low.
- Technically bearish with a neutral bias, we continue to see warning signs that resistance levels could be tested.

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