



Base Morning Technical Report

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China

China's foreign trade will "advance steadily" in spite of headwinds such as rising global inflation this year, with exports expected to increase about 14.1%, according to a research report published in the Shanghai Securities News Tuesday.

Recent intensive measures taken by the government to stabilize foreign trade, production and employment have promoted the stability and quality of foreign trade and strengthened the resilience of China's supply chain, says the report by a researcher with government think-tank Chinese Academy of Social Sciences. (Bloomberg).

Cu

Today's brutal round of heat waves buttresses the case for tomorrow's demand for copper in technologies that are vital to the energy transition. So while prices are lower on the day, and also YTD, as recession concerns hurt, the commodity will be in greater demand tomorrow as climate concerns gain traction.

Used since ancient times, copper is now increasingly needed for the batteries and wires that are central to efforts to deliver renewable energy to more people, more of the time to combat climate change. In recent years, there's been a dearth of investment in mine capacity, setting the scene for a run of global deficits. (Bloomberg)

Copper Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	7,308		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 (44)
- Stochastic is overbought
- Price is above the daily pivot point USD 7,332
- As noted yesterday the futures had traded above the previous days high for the first time since the 07/07 warning that resistance levels looked vulnerable. We also highlighted on the close report that upside moves looked to be countertrend. The futures traded into the EMA resistance band before selling lower on the Asian open. Price is below the resistance band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 7,332 with the RSI at or below 37 will mean price and momentum are aligned to the sell side. Likewise, a close above this level will mean it is aligned to the buyside. Upside moves that fail at or below USD 7,607 will leave the futures vulnerable to a test to the downside, above this level the technical will have a neutral bias.
- Downside moves that hold at or above USD 7,132 will support a near-term bull argument, below this level the futures will target the USD 6,955 low.
- Technically bearish, Elliott wave analysis continues to suggest that upside moves should be considered as countertrend. The futures remain in what looks to be an extended wave 3 as the current upside move at this point has not confirmed that we are in a wave 4.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	2,390	R1	2,408.5	RSI above 50	Stochastic overbought	
S2	2,362	R2				2,483
S3	2,310	R3				2,536

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (53)
- Stochastic is overbought
- Price is above the daily pivot point 2,407
- The futures have moved above and closed above the USD 2,392 level, resulting in the futures trading through our resistance levels. Price is above the EMA resistance band (this will only become a support band once the EMA's have crossed) 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 2,407 with the RSI at or below 45 will mean price and momentum are aligned to the sell side. Upside moves above USD 2,483 will mean the intraday technical is bullish, further resistance is at USD 2,536.
- Downside moves that hold at or above USD 2,362 will support a bull argument, below this level the futures will target the USD 2,310 fractal low.
- The technical is bearish with a neutral bias, only above USD 2,483 are we bullish. However, there are warning signs that this phase of the bear cycle may have completed, implying the USD 2,483 resistance could come under pressure in the coming days.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,889	R1	2,979		RSI below 50
S2	2,824	R2	3,030		
S3	2,734	R3	3,069		

Synopsis - Intraday

Source Bloomberg

- Price is in the EMA resistance band (Black EMA's)
- RSI is below 50 (45)
- Stochastic is overbought
- Price below the daily pivot point USD 2,979
- As noted yesterday the futures were trading in a consolidation zone warning we could find selling resistance around this area. The futures did move a little higher before selling lower on the Asian open, price is below the EMA resistance band supported by the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 2,979.5 with the RSI at or below 40.5 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. Upside moves that fail at or below USD 3,030 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 3,136.5 is the intraday technical bullish.
- Downside moves that hold at or above USD 2,889 will support a bull argument, below this level will warn that the USD 2,824.5 fractal support is vulnerable.
- Technically bearish the futures are currently rejecting the resistance zone with the RSI below 50 whilst the stochastic is overbought. Momentum is warning the futures are vulnerable to a test to the downside. However, the futures are rallying on the back of a positive divergence with our intraday wave analysis warning we may have completed the bearish cycle. For this reason we now have a neutral bias in the futures.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	20,311	R1	20,652		RSI below 50
S2	19,129	R2			
S3	18,230	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (45)
- Stochastic is above 50
- Price is above the daily pivot point USD 20,311
- The futures moved higher yesterday with price approaching the Fibonacci resistance zone and the EMA resistance band. The RSI is below 50 but intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 20,311 with the RSI at or below 34 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 22,892 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- The trend remains technically bearish with price nearing the previous consolidation zone, we maintain our view that USD 21,600 has the potential to be an area of interest for market sellers, based on the consolidation breakout to the downside. Upside moves that close this level will warn that that the USD 22,892 resistance could be tested and broken.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	1,971	R1	1,979.5	RSI above 50	Stochastic overbought
S2	1,859	R2			
S3	1,784.5	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (56)
- Stochastic is overbought
- Price is above the daily pivot point USD 1,971
- The futures continue to move higher with price testing the but failing to trade above the USD 2,007.5 fractal resistance. Price is above the EMA resistance band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 1,971 with the RSI at or below 49 will mean price and momentum are aligned to the sell side. Upside moves above USD 2,017.5 will mean the intraday technical is bullish. Likewise, downside moves that hold at or above USD 1,859 will support a bull argument, below this level we target the USD 1,784.5 fractal low.
- Technically bearish with a neutral bias, the lower timeframe Elliott wave cycle is becoming less clear. However, market sellers are defending the USD 2,007.5 – USD 2,017.5 resistance zone at this point, meaning the technical is in balance. Price needs to break the resistance zone, otherwise the USD 1,859 support will be vulnerable.

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