



# Base Morning Technical Report

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**Singapore—Holiday**

**China**

\*CHINA ORDERS SURPRISE AUDIT OF \$3 TRILLION TRUST INDUSTRY (Bloomberg).

**Cu—Zn**

Copper fell from its highest close in a month and zinc extended losses as growth concerns damped the outlook for demand.

Attempts by central banks to curb runaway inflation by hiking interest rates is weighing on markets, with stocks stalling in Asia and sovereign bonds rising. Investors are also waiting for US inflation data due Wednesday, which will shape views on how aggressively the Fed will have to raise borrowing costs and whether a shift to rate cuts later next year is a realistic possibility.

Zinc extended its retreat from a six-week high after inventories on the London Metal Exchange rebounded from a two-year low. Demand is waning in developed countries as tighter monetary policy and soaring energy costs push several economies to the brink of recession. (Bloomberg)

# Copper Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	7,861	R1	8,044	7,925	RSI above 50	Stochastic overbought
S2	7,812	R2	8,381			
S3	7,746	R3	8,836			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (57)
- Stochastic is overbought
- Price is below/on the daily pivot point USD 7,938
- As noted yesterday, upside moves above USD 7,970 had the potential to create a negative divergence with the RSI, warning we the futures could be vulnerable to a technical pullback. Price traded to a high of USD 8,020 before moving USD 100 lower. The futures are above all key moving averages supported by the RSI above 50, intraday price and momentum are conflicting as the futures are below the daily pivot level.
- A close on the 4-hour candle below USD 7,938 with the RSI at or below 55 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. Downside moves that hold at or above USD 7,746 will support a bull argument, below this level the technical will have a neutral bias. Only below USD 7,602 is the intraday technical bearish.
- Upside moves above USD 8,020 will create a second negative divergence, not a sell signal it does warn of the potential for a momentum slowdown.
- Technically bullish but not considered a technical buy due to the divergence. On the daily chart we have the RSI below 50 (48.2) whilst the stochastic is oversold, higher timeframe momentum is warning that the futures are vulnerable to a technical pullback providing the RSI stays below 50.

# Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,456.5	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Source Bloomberg

## Synopsis - Intraday

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (57)
- Stochastic is overbought
- Price is above the daily pivot point 2,425
- Technically neutral yesterday based on flat EMA's and the RSI at 50. The futures have moved higher with price above the EMA band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,425 with the RSI at or below 50 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,392 will support a bull argument, below this level the technical will have a neutral bias.
- Upside moves that close above the USD 2,496 level will warn that the futures are potentially breaking out of range to the upside, suggesting the USD 2,536 and USD 2,60 resistance levels could be vulnerable.
- The futures remain in range with momentum to the buyside whilst the daily Bollinger bands are starting to widen. At this point the intraday technical lacks a direction bias due to price being in range. It is worth noting that the daily technical is testing its resistance band with its RSI still below 50, warning we could see technical sellers around this area.





# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	21,600	R1	23,550	Stochastic oversold	RSI below 50
S2	20,500	R2	25,200		
S3	20,005	R3	25,295		

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (45)
- Stochastic is oversold
- Price is below the daily pivot point USD 21,820
- Technically bearish with a neutral bias the futures traded lower to close just above the USD 21,600 support area. Price is below the EMA support band with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 21,820 with the RSI at or above 47 will mean price and momentum are aligned to the buy side. Upside moves above USD 23,550 will warn that the USD 25,200 fractal high could be tested.
- The futures are testing the USD 21,600, downside moves that close below here on the 4-hour candle will warn that the USD 20,005 and USD 18,230 support levels could be tested.
- The technical has a neutral bias with the EMA bands remaining flat, price now needs to hold the USD 21,600 area, otherwise the technical will be vulnerable to further tests to the downside. (unchanged)

# Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,102	R1	2,159	RSI above 50	Stochastic overbought
S2	2,083	R2			
S3	2,056	R3			

## Synopsis - Intraday

Source Bloomberg

- 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 2,149
- An upside move yesterday means we are now seeing the EMA support band turn higher. The RSI is above 50 with intraday price and momentum aligned to the buyside.
- A close on the 4-hour candle below USD 2,148 with the RSI at or below 61.5 will mean price and momentum are aligned to the sell side. Downside moves that's hold at or above USD 2,056 will support a bull argument, below this level the technical will have a neutral bias.
- The futures are showing a minor negative divergence that will need to be monitored; however, the RSI itself has been making higher highs, suggesting downside moves should be considered as countertrend at this point.
- Technically bullish, the divergence will need to be monitored.

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