



Base Morning Technical Report

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China

China has surged ahead of the US for corporate bond deals in its yuan credit market in recent months, a rare shift that highlights the deepening impact of the two countries' diverging monetary policies.

Yuan-denominated bond issuance by non-financial firms exceeded that in the greenback in both July and August, a first for two consecutive months, according to Bloomberg-compiled data. The momentum has started building since the Federal Reserve kicked off its tightening cycle in March: Sales of yuan notes, almost entirely by Chinese firms, totaled 2.04 trillion yuan (\$306 billion based on exchange rates at the time of deals) between April and August, versus \$283 billion of dollar debt worldwide.

The changing credit market landscape is mostly the result of a plunge in dollar debt sales after the US central bank embarked on a relentless campaign to combat inflation, while Beijing has been doing the opposite to keep funding costs low for an ailing economy. A weakening yuan also bodes well for the trend, even as it dilutes the dollar value of local bonds. (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	7,626	R1	7,734		RSI below 50
S2	7,510	R2	7,805		
S3	7,475	R3	7,862		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (46)
- Stochastic is below 50
- Price is above the daily pivot point USD 7,626
- Based on the weak open yesterday we had expected to see support levels come under pressure; however, the futures moved higher on the European open but closed lower on the day. Price has moved higher in the Asian session, but remain below the EMA resistance band, the RSI is below 50 with price and momentum aligned to the buyside.
- A close on the 4-hour candle below USD 7,626 with the RSI at or below 42 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 7,805 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 7,960 will the intraday technical be bullish.
- Technically bearish with momentum to the buyside the futures are testing its resistance band. Although well-spaced the band is flattening, indicating the trend is not stable at this point. The RSI low on the 02/09/22 would suggest this upside moves is potentially countertrend.

Aluminium Morning Technical (4-hour)



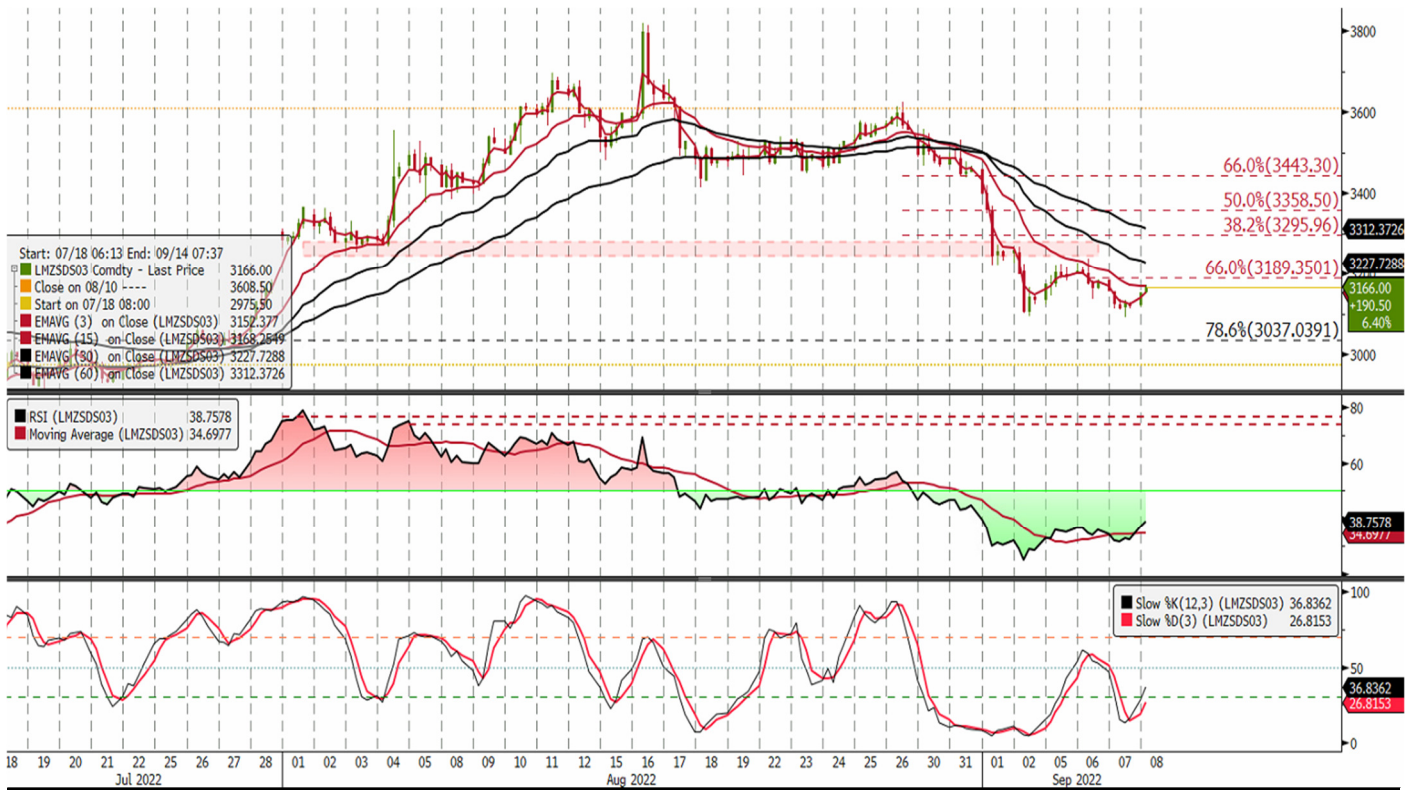
	Support	Resistance	Current Price	Bull	Bear
S1	2,249	R1	2,296	Stochastic oversold	RSI below 50
S2	2,239	R2	2,308		
S3	2,212	R3	2,329		

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (38)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,249
- Technically bearish yesterday with the USD 2,252 and USD 2,222 support levels vulnerable, price traded to a low of USD 2,233 before finding support on the Asian open. 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 2,249 with the RSI at or below 32.5 will mean price and momentum are aligned to the sell side. Key resistance remains unchanged, upside moves that fail at or below USD 2,305 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- The technical is bearish but lower timeframe momentum indicators are in divergence, warning resistance levels could be tested. Upside moves above USD 2,329 will mean the intraday futures are bullish due to price making a new high. However, upside moves that fail at or below USD 2,419 will warn that there is potentially a larger bear cycle in play. Likewise, downside moves that trade below USD 2,233 will indicate wave extension to the downside.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,132	R1	3,163	Stochastic oversold	RSI below 50
S2	3,092	R2			
S3	3,037	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (38)
- Stochastic is oversold
- Price is above the daily pivot point USD 3,132
- Technically bearish yesterday having rejected a resistance zone, this suggested that the USD 2,093.5 fractal low was vulnerable; however, below this level we had the potential for a positive divergence that needed to be monitored. The futures traded to a low of USD 3,092 before moving high on the Asian open. Price is below the EMA resistance band supported by the RSI below 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 3,132 with the RSI at or below 32.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 3,189 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 3,239.5 is the intraday technical bullish.
- This technical is a cautious bear, as the intraday wave cycle is warning that if it has not completed this phase of the wave cycle, it could soon exhaust on a new low.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	21,535	R1	21,739	RSI above 50	Stochastic overbought
S2	21,170	R2	21,900		
S3	21,091	R3	22,220		

Synopsis - Intraday

Source Bloomberg

- Price is above/on the EMA resistance band (Black EMA's)
- RSI is above 50 (51)
- Stochastic is overbought
- Price is above the daily pivot point USD 21,535
- The futures consolidated again yesterday in the previous support zone. Price is on the top of the EMA band, which is flat, indicating a lack of trend in the market. The RSI is near neutral at 51 with price and momentum aligned to the buyside.
- A close on the 4-hour candle below USD 21,535 with the RSI at or below 48 will mean price and momentum are aligned to the sell side. Downside moves below USD 21,170 will break fractal support, leaving the technical vulnerable to further tests to the downside. Likewise, upside moves that trade above and close above USD 21,900 will support a bull argument.
- This is not a nice technical at this point, as it is bearish with a neutral bias whilst price is trading in the previous support zone, which is now considered as resistance. Countering this, we potentially have a bullish intraday head and shoulders pattern in play that needs to be monitored, whilst momentum is vulnerable to a downside move if the RSI moves below 50. Key support is at 21,700, below this level support levels are vulnerable.
- This technical has too many variables in play, suggesting it is one to avoid.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	1,897	R1	1,932		
S2	1,875	R2	1,947		RSI below 50
S3	1,844	R3	1,969		

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 1,897
- Technically bearish yesterday with the USD 1,875 support looking vulnerable, the futures traded down to USD 1,875.5 before 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 1,897 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 1,969 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish the futures are rejecting the EMA resistance band, warning price and momentum could soon align to the sell side, leaving the USD 1,875 low vulnerable. Downside moves below this level will create a positive divergence with the RSI and need to be monitored.