



# Base Morning Technical Report

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## China

CHINA SEPT. VEHICLE EXPORTS 301,000 UNITS, +73.9% ON YEAR

China Sept. Vehicle Wholesales Rise 25.7% Y/y

China Sept. Passenger Vehicle Wholesales +32.7% Y/y

(Bloomberg).

## U.S

Treasuries slumped with other global bonds as investors shied away from government debt amid concern US inflation data this week will add to the reasons for the Federal Reserve to keep raising interest rates.

The US 10-year yield jumped as much as 12 basis points to 4%, while two-year equivalents climbed to 4.35%, the highest since 2007. The selloff came after UK gilt yields surged Monday when the Bank of England said its first program of emergency purchases would end this week as planned. Australian and New Zealand bonds also fell.

(Bloomberg)

## Cu/Al

Copper and aluminum slid lower as the dollar strengthened for a fifth day and traders mulled another flurry of downbeat commentary on the global economy.

The heads of the International Monetary Fund and World Bank both warned of rising global recession risks, while JPMorgan Chase & Co. Chief Executive Officer Jamie Dimon said he expects a US and global economic contraction by the middle of 2023. Adding to the gloom, China's flagship state newspaper doused hopes for relaxing Covid controls.

Metals have struggled to find direction in recent weeks. Investors are grappling with persistent concerns over the impact of rising interest rates and geopolitical tensions, including a surging dollar that makes commodities more expensive in other currencies. (Bloomberg).

# Copper Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	7,538		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 (48)
- Stochastic is below 50
- Price is below the daily pivot point USD 7,555
- Technically bearish on the last report, the break in fractal support warned we could see support levels come under pressure in the near-term. The futures traded to a low of USD 7,437.50 before finding buying support on the open yesterday. 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 7,555 with the RSI at or below 45.5 will mean price and momentum are aligned to the sell side. Likewise, a close above this level will mean it is aligned to the buyside. The upside move has failed to trade above the USD 7,288 resistance, leaving the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Downside moves below USD 7,437.50 will target the USD 7,372 and USD 7,297 support levels.
- Technically bearish, the rejection of the USD 7,288 resistance does leave support levels vulnerable. This remains the key resistance going forward at this point.

# Aluminium Morning Technical (4-hour)



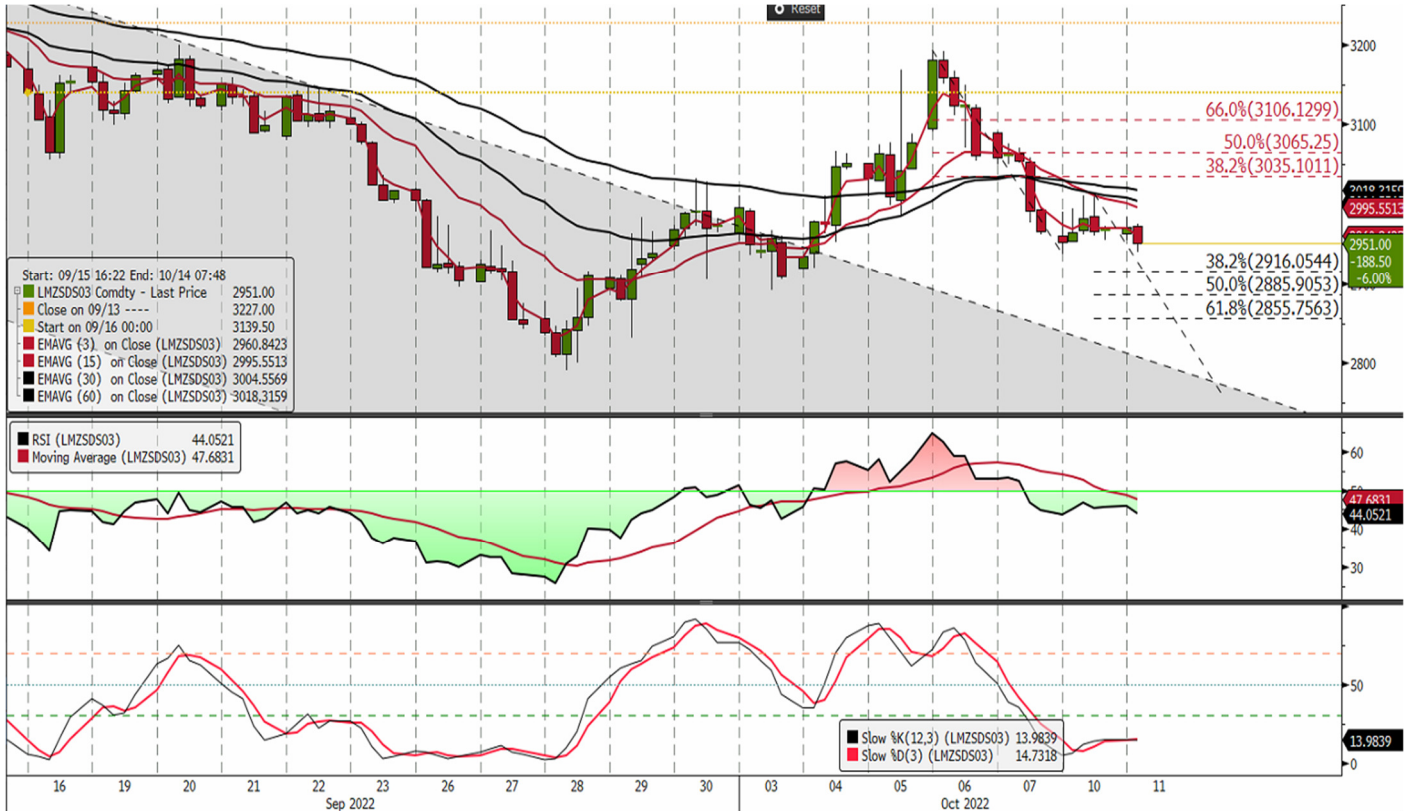
	Support	Resistance	Current Price	Bull	Bear
S1	2,232	R1	2,272	Stochastic oversold	RSI below 50
S2	2,197	R2	2,351		
S3	2,136	R3	2,381		

Source Bloomberg

## Synopsis - Intraday

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (46)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,272
- Technically bullish on the last report but with a neutral bias, meaning the probability of the futures trading to a new high on the next intraday upside move was decreasing, price continued lower meaning the intraday technical is now bearish. The futures are 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 2,272 with the RSI at or above 53.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,360 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish and in a corrective phase with yesterday's upside move failing below the Fibonacci resistance zone, warning the technical remains weak at this point. However, we have a minor positive divergence with the RSI warning we could see a momentum slowdown, this will need to be monitored as it more prominent and the 1-hour RSI. It is not a buys signal, but if we do see price and momentum turning to the buyside resistance levels could come under pressure.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,916	R1	2,973	Stochastic oversold	RSI below 50
S2	2,885	R2	3,035		
S3	2,855	R3	3,065		

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (43)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,973
- Technically bullish but in a corrective phase last time, the USD 3,200 resistance remained intact, against our expectations. The futures have since traded below our key support levels meaning the intraday futures are now bearish. Price is below the EMA resistance band supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,973 with the RSI at or above 50 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 3,106 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish with the futures rejecting the EMA resistance band yesterday, warning of the potential for further weakness. Downside moves below USD 2,937.5 will mean key fractal resistance drops to USD 3,011.50, above this level the technical will then become bullish.

# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	21,757	R1	22,412		RSI below 50
S2	21,482	R2			
S3	21,015	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is below 50 (49)
- Stochastic is below 50
- Price is above the daily pivot point USD 22,398
- The upside move in the futures remains below the USD 24,081 resistance, resulting in a marginal test to the downside. Price is between the EMA resistance band with the RSI neutral at 49, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 22,398 with the RSI at or above 52.5 will mean price and momentum are aligned to the buy side. Likewise, a close below this level with the RSI at or below 48 will mean it is aligned to the sell side. Upside moves that fail at or below USD 24,081 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- The technical remains bearish; however, with price between the EMA band with the RSI at 49 we lack directional bias. A 3-wave pattern lower does warn that support levels could come under pressure, However, we did not trade below USD 2,094, meaning this is again a little unclear. From a technical perspective the lack of clarity means we will hold a neutral bias for now.

# Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	1,970	R1	1,985	RSI above 50	Stochastic oversold
S2	1,932	R2			
S3	1,903	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (52)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,000
- Technically bullish on the last report with the futures looking like we are in a lower timeframe corrective Elliott wave 4. The futures remain in a corrective phase with price above the EMA support band and the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,000 with the RSI at or above 62.5 will mean price and momentum are aligned to the buy side. Upside moves above USD 2,065 will break fractal resistance, meaning the intraday technical is bullish. Downside moves that hold at or above USD 1,932 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish but in a corrective phase with key support at USD 1,932. The RSI is holding above 50 with the stochastic in oversold territory, momentum is vulnerable to a test to the upside; however, if the RSI moves below 50 then the stochastic is considered as less relevant. We are conscious that the rest of the sector is bearish at this point, suggesting caution, as upside moves elsewhere did fail to materialize.