



# Base Morning Technical Report

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## China

- \*IRON ORE RISES 6% AFTER CHINA COVID CONTROLS EASE
- \*CHINA EASES COVID-19 RESTRICTIONS, NATIONAL HEALTH COMMISSION SAYS
- \*CHINA REMOVES FLIGHT CIRCUIT BREAKER, NHC SAYS
- \*CHINA CUTS QUARANTINE FOR CLOSE CONTACTS, SCRAPS FLIGHT BAN
- \*CHINA CUTS QUARANTINE FOR INBOUND TRAVELLERS TO 8 DAYS FROM 10
- \*CHINA EASES REQUIREMENTS FOR DOMESTIC QUARANTINE, COVID TESTS, NHC SAYS
- \*ASIA STOCKS JUMP MOST SINCE 2020 AS CHINA EASES SOME COVID RULES
- \*CHINA PROPERTY STOCKS EXTEND RALLY TO 16%, COUNTRY GARDEN +40%

## Ni

Commodities from oil to iron ore and copper jumped after China eased some Covid restrictions, raising hopes over a demand recovery in the world's second-biggest economy.

Almost all major commodities traded higher following news that China reduced the amount of time that travelers and close contacts of infected people must spend in quarantine, a significant amendment of the Covid Zero policy.

Oil futures in New York and London added more than 2%, while iron ore traded in Singapore soared as much as 8.2%. Copper, precious metals and agricultural commodities also all climbed.

The China news strengthened a rally that began on Wall Street, with risk assets broadly higher as lower-than-projected US inflation data set the stage for a slowdown in aggressive interest-rate hikes. A gauge of the dollar has fallen sharply from its 2022 high in recent days, aiding commodities priced in the currency. (Bloomberg).

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,294	R1	8,430	RSI above 50	Stochastic overbought
S2	8,213	R2			
S3	8,104	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (69)
- Stochastic is overbought
- Price is above the daily pivot point USD 8,184
- Technically bullish with wave analysis suggesting downside moves should be considered as countertrend at this point. The futures moved aggressively higher on the back of the U.S CPI figures. Price is above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- close on the 4-hour candle below USD 8,184 with the RSI at or below 61 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 8,104 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish we maintain our view that downside moves are considered as countertrend. Outside of the technical we should highlight that a USD 1,000 move higher in seven sessions is pretty aggressive, suggesting we need to see some form of pullback soon.

# Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,340	R1	2,369	RSI above 50	
S2	2,326	R2			
S3	2,314	R3			

Source Bloomberg

## Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (57)
- Stochastic is at 50
- Price is above the daily pivot point USD 2,314
- There were warning signs that the technical could be in trouble due to the negative divergence and the failure to test the resistance zone. The futures initially moved lower below trend support before moving higher on the CPI figure. Price is above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,314 with the RSI at or below 52.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,307 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, upside moves that trade above USD 2,394 will create a second negative divergence, not a sell signal it will need to be monitored, as it warns we have the potential to see a momentum slowdown.

# Zinc Morning Technical (4-hour)



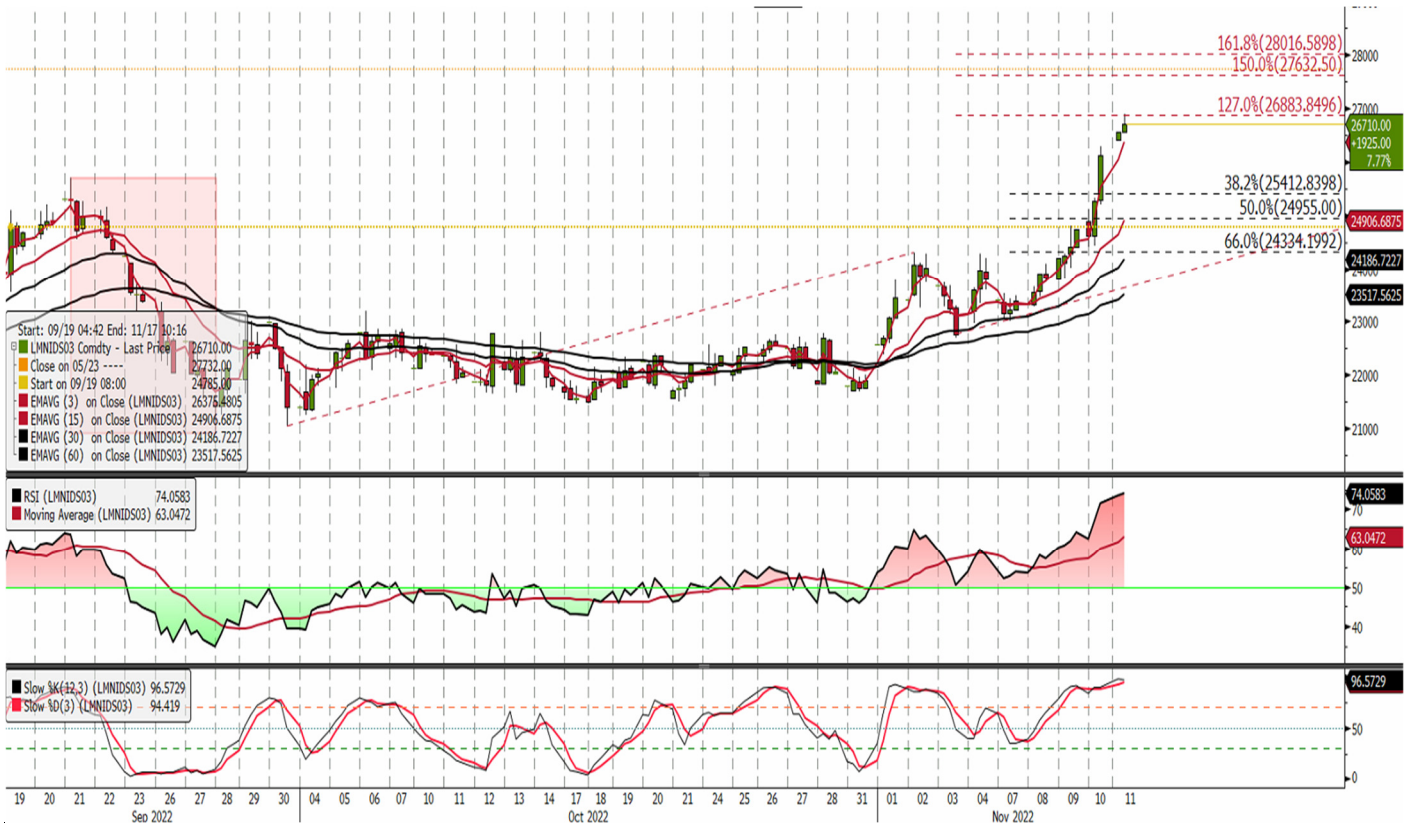
	Support	Resistance	Current Price	Bull	Bear	
S1	2,963	R1	3,033	RSI above 50	Stochastic overbought	
S2	2,931	R2				3,180
S3	2,886	R3				3,193

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (54)
- Stochastic is overbought
- Price is below the daily pivot point USD 2,857
- Technically bullish we had a neutral view due to the congestion ahead. Obviously strong upside moves on the weaker USD have put price above the resistance zone highlighted. The futures are above all key moving averages 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 2,857 with the RSI at or below 52.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,886 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish with price above the resistance zone, we now target the USD 3,193 fractal high.

# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	25,412	R1	26,710	RSI above 50	Stochastic overbought
S2	25,606	R2			
S3	24,334	R3			

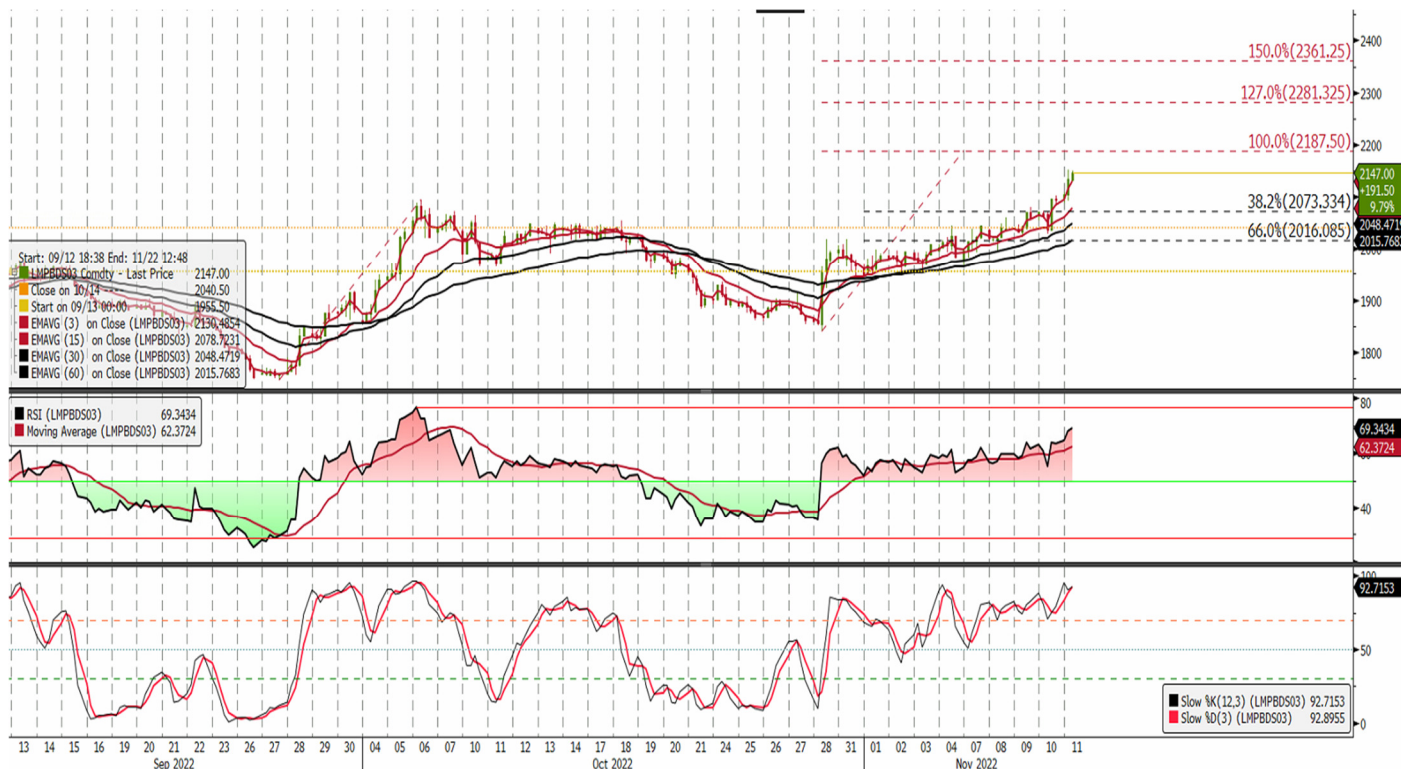
## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (74)
- Stochastic is overbought
- Price is above the daily pivot point USD 25,606
- The upside move in the futures above USD 25,700 means the intraday technical is now bullish. The futures are above all key moving averages 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 25,606 with the RSI at or below 61 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 24,334 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish supported by the RSI making new highs, suggesting downside moves should be considered as countertrend at this point. A close below USD 26,399 on the 4-hour chart will warn that buy side momentum is starting to weaken, implying we could be about to enter a corrective phase.



# Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,075	R1	2,175	RSI above 50	Stochastic overbought
S2	2,049	R2	2,217		
S3	2,016	R3	2,238		

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (69)
- Stochastic is overbought
- Price is below the daily pivot point USD 2,075
- Technically bullish, we maintained a view that the futures were not considered a technical buy yesterday. The futures have traded above the USD 2,093.5 fractal resistance with the RSI and stochastic making a new high. Price is above all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,075 with the RSI at or below 62.3 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,016 will support a bull argument, below this level the technical will have a neutral bias.
- The upside move above USD 2,093.5 would suggest this move is bullish impulse, and not countertrend as I believed. The technical is bullish in what can only be an impulse move with near-term resistance at USD 2,187.5. However, I remain concerned about the longer-term RSI divergence that dates back to the 06/10 which will need to be monitored.

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