



Base Morning Technical Report

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U.S.

Payroll figures today, so the USD could get a little jumpy

China

Chinese stocks were headed for their worst week in more than a month as investors looked for further catalysts to sustain a world-beating rally since the nation's reopening.

The CSI 300 Index, a benchmark of mainland shares, fell 0.9% as of 2:35 p.m. Friday, on track to end this year's run of weekly gains. A drop in the Hang Seng China Enterprises Index, which tracks Chinese stocks trading in Hong Kong, also put the gauge on course for its biggest five-day loss since the reopening euphoria started at the end of October.

The setback suggests sentiment is turning more cautious after optimism over China's Covid Zero exit led to scorching gains over the past three months. While data during the Lunar New Year holidays pointed to a comeback in consumer spending, the economy has yet to regain its footing with weakness in the property market a key drag. (Bloomberg).

NI Copper

Copper is poised for a second weekly drop as a new year rally fades amid signs of subdued demand in China, the top metals consumer.

After surging to a seven-month high in mid-January as investors bet on surging demand following Beijing's abandonment of Covid Zero, along with a slower pace of US rate hikes, copper has wavered. Economic data has delivered a mixed picture of consumption in China. (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,030	R1	9,092	Stochastic oversold	RSI below 50
S2	8,869	R2	9,212		
S3	8,651	R3	9,276		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (44)
- Stochastic is oversold
- Price is below the daily pivot point USD 9,092
- Technically bullish with q neutral bias yesterday, we had concerns as the futures had traded below the bullish rejection candle on the daily chart. We noted that market sellers may look to try and close the bullish gap, to tests the resilience of market buyers. Price moved lower, closed the gap and broke the USD 9,026 fractal support, the intraday technical is now bearish. 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 9,092 with the RSI at or above 47 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 9,364 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- The intraday technical is bearish, a close below that holds below USD 9,003 will warn that the USD 8,869 support could come under pressure. Not to lose sight of the longer-term trend, if we look on the daily chart this downside move is still corrective, with the daily RSI having made a new high in January, suggesting the longer-term cycle is still bullish. Meaning this move is probably countertrend on the higher timeframe.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,585	R1	2,618	2,606	RSI below 50
S2	2,555	R2	2,664		
S3	2,516	R3	2,679.5		

Source Bloomberg

Synopsis - Intraday

- Price is between the EMA support band (Black EMA's)
- RSI is below 50 (49)
- Stochastic is at 50
- Price is below the daily pivot point USD 2,618
- We remained bearish with a neutral bias on the intraday yesterday, price had moved higher on the Asian open but has failed to break the USD 2,664 fractal support . If we did, then it would suggest that we traded to new highs, meaning the futures are on a bullish Elliott wave 5. If we traded below USD 2,585 it warned that the technical was weakening, whilst below USD 2,555 would suggest we are in a complex corrective wave 4. The technical needs to break one of the key fractals (USD 2,664 – USD 2555) for directional bias. Downside moves are still considered as countertrend based on the longer-term wave cycle. We moved sideways! Price is between the EMA support band with the RSI below 50 but near-neutral at 48.7, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,618 with the RSI at or above 54 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 2,397 will support a longer-term bull argument, below these levels the USD 2,251.5 fractal low becomes vulnerable.
- Bearish neutral, the rhetoric is unchanged.

Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	3,352.5		RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (46)
- Stochastic is below 50
- Price is below the daily pivot point USD 3,360
- The futures remain in a corrective phase yesterday with the MA on the RSI still sloping lower, whilst price was below the EMA band, implying buyside momentum remained weak, warning support levels were still vulnerable. We tested the downside on the open but held above the USD 3,296 support. Price remains below the EMA support band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 3,360 with the RSI at or above 48 will mean price and momentum are aligned to the buyside; likewise, a close below this level with the RSI at or below 43.5 will mean it is aligned to the sell side. Downside moves that hold at or above USD 3,139 will support a bull argument, below this level the longer-term technical will have a neutral bias.
- We remain in a corrective phase with the EMA band now flat, alongside the MA on the RSI which is starting to flatten, indicating we lack directional bias. The longer-term trend is still bullish, upside moves that close above USD 3,425 will warn that the USD 3,453 and USD 3,512 resistance levels are vulnerable.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	28,796	R1	29,790	RSI above 50	Stochastic oversold
S2	28,427	R2			
S3	27,800	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (56)
- Stochastic is oversold
- Price is above the daily pivot point USD 29,475
- We were half right yesterday, the futures did trade below USD 28,796 on the open, taking the technical into neutral territory. However, the futures then spent the rest of the session moving higher to close at USD 29,790. Price is above the EMA support band, the RSI is above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 29,475 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 30,141 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 30,730 fractal high.
- The futures are bullish but with a neutral bias, we closed just below the USD 30,141 resistance, upside moves above this level will put the technical back in bullish territory. Above USD 30,730 we have the potential to create a negative divergence, implying caution on new highs as we could see a momentum slowdown.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,143	R1	2,146	RSI above 50	
S2	2,125	R2			
S3	2,112	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (47)
- Stochastic is below 50
- Price is above the daily pivot point USD 2,143
- We remained technically bearish with a neutral bias yesterday, the futures were lacking directional clarity, meaning we maintained a neutral view. Price has moved sideways, the futures are below the EMA resistance band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 2,143 with the RSI at or below 46 will mean price and momentum are aligned to the sell side; likewise, a close above this level with the RSI at or above 50.5 will mean it is aligned to the buyside. Upside moves that fail at or below USD 2,199 will leave the futures vulnerable to further tests to the downside. We did close below USD 2,137.5 (low close USD 2,137); however, it was so marginal we did not see any downside follow through.
- Neutral.