



# Base Morning Technical Report

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## China

New foreign investment into China picked up in January to the highest level since June, reversing two months of double-digit drops as Beijing attempts to attract more investment and help the economy rebound.

China recorded 128 billion yuan (\$18.7 billion) in new actually utilized foreign investment last month, the Ministry of Commerce said in a statement late Monday. That was 14.5% higher than the same month last year, according to the ministry, with a 75% jump in investment into high-tech manufacturing. (Bloomberg).

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,088	R1	9,155	RSI above 50	Stochastic overbought
S2	9,046	R2	9,230		
S3	9,014	R3	9,261		

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (56)
- Stochastic is overbought
- Price is above the daily pivot point USD 9,088
- Technically bullish based on the strength of the upside move yesterday, the breach in the USD 8,800 support did warn that sell side momentum remains strong. The MA on the RSI was moving in an upward trajectory suggesting support levels could/should hold in the near-term, warning resistance levels are vulnerable. With the EMA band still flat whilst the intraday has broken key support and resistance in one 24-hour period, we had a note of caution on this intraday technical, due to the lack of a trending environment. The futures have traded to new highs with price above the EMA resistance band 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 9,088 with the RSI at or below 51.5 will mean price and momentum are aligned to the sell side. downside moves that hold at or above USD 8,971 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish supported by the RSI making new highs, the futures are coming under light pressure on the Asian open; however; lower timeframe Elliott wave analysis would suggest the current intraday pullback looks to be countertrend.

# Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,440	R1	2,462	RSI above 50	Stochastic overbought
S2	2,431	R2	2,484		
S3	2,420	R3	2,496		

Source Bloomberg

## Synopsis - Intraday

- Price is between the EMA resistance band (Black EMA's)
- RSI is above 50 (51)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,440
- Technically bearish yesterday, the RSI had held its MA support whilst moving higher on a lower timeframe divergence, suggesting resistance levels were now vulnerable. Key support to follow was at USD 2,391. The futures continued to move higher with price trading above the USD 2,464 resistance, meaning the intraday technical is now bullish. Price is in the EMA resistance band with the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 2,440 with the RSI at or below 43 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,404 will support bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the futures and the RSI have made a new high with the current wave more than 161.8% the length of the previous wave, suggesting the move is bullish impulse. The MA on the RSI is pointing in an upward trajectory implying momentum is supported at this point; based on the lower timeframe Elliott wave cycle, downside moves should be considered as countertrend.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,112	R1	3,145	RSI above 50	Stochastic overbought
S2	3,080	R2	3,174		
S3	3,062	R3	3,222		

## Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is above 50 (51)
- Stochastic is overbought
- Price is above the daily pivot point USD 3,112
- Technically bearish on yesterday's report, there was evidence of buy-side support in the market. However, the RSI is below 50 with the stochastic in overbought territory, providing the RSI remained below 50 then momentum would be vulnerable to a test to the downside; however, if the RSI moved above and held above 50 then the stochastic will be considered as less relevant, as it is faster moving. The futures remained supported, but the RSI/MA combination was a concern, making USD 3,095 the key resistance to follow. The futures did move higher with the RSI moving above 50 whilst price traded through the USD 3,095 resistance. Price is between the EMA resistance band with intraday price and momentum aligned to the buy-side.
- A close on the 4-hour candle below USD 3,112 with the RSI at or below 45 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 3,037 will support a near-term bull argument, below this level the futures will target the USD 2,982.5 fractal low.
- The Futures are technically bearish with a neutral bias based on the strength of the upside move. The RSI is above 50 whilst its MA suggests momentum is supported, implying Fibonacci support levels should hold in the near-term if tested. Upside moves above USD 3,145 will mean the intraday technical is bullish.

# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	26,647	R1	26,932		RSI below 50	
S2	26,548	R2				27,978
S3	26,360	R3				28,440

## Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is at 50 (49.9)
- Stochastic is above 50
- Price is above the daily pivot point USD 26,647
- A cautious bear yesterday due to the divergence that was in play, we noted that if the divergence failed then support levels would be vulnerable. The futures opened higher and remained bid for the remainder of the session, resulting in fractal resistance being broken. The intraday technical is now bullish. Price is between the EMA resistance band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4 hour candle below USD 26,647 with the RSI at or below 38 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 26,104 will support a bull argument, below this level the technical will have a neutral bias.
- The intraday technical is now bullish, but the daily remains bearish, higher timeframe resistance is at USD 27,978, this will be a key level going forward. The MA on the RSI is turning higher, implying momentum is supported, but the futures remain in the EMA resistance band. Outside of the fractal break, we are seeing signs that the futures are potentially transitioning to the buyside; if the RSI can move above and hold above 50 with price trading and holding above the EMA resistance band, it will further support a buyers argument.



# Lead Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	2,130	R1	2,175	2,147	RSI above 50	Stochastic overbought
S2	2,116	R2	2,237			
S3	2,099	R3	2,258			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (59)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,130
- We noted on the previous report that the bullish rejection candle on the back of the divergence meant that the USD 2,083 resistance was vulnerable. If broken market buyers will look to target the USD 2,115 fractal resistance; however, if the resistance held, then the technical remained vulnerable. Like the rest of the base complex yesterday we had a strong move higher. Price is above the EMA resistance band with the RSI above 50, intraday price and momentum are aligned to the buyside. The intraday technical is now bullish.
- A close on the 4-hour candle below USD 2,130 with the RSI at or below 47.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,074 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish with price and momentum both making new highs, suggesting downside moves should be considered as countertrend at this point, implying support levels should hold if tested.

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