



# Base Morning Technical Report

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## China

China's vehicle sales to dealership were 1.98m units in Feb., the China Association of Automobile Manufacturers says.

New energy vehicle wholesales rose 55.9% y/y to 525,000 units

Vehicle output rose 11.9% y/y to 2.03m units. (Bloomberg).

## Zn

Zinc headed toward its lowest close in more than three months on higher supplies, while the outlook for more rate hikes from the Federal Reserve continued to weigh on base metals demand.

Industrial metals have been under pressure in recent weeks as the US central bank is expected to continue with rate hikes following strong economic data. Meanwhile, China's policy makers have signaled a shift away from massive stimulus.

China's output of zinc, the largest globally, may increase 13% this month from a year ago to 560,400 tons, as smelters using domestic ore are maximizing runs amid elevated margins, according to researcher Shanghai Metals Market, citing their survey. (Bloomberg).

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,713	R1	8,763		RSI below 50
S2	8,683	R2			
S3	8,651	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (43)
- Stochastic is below 50
- Price is below the daily pivot point USD 8,851
- Intraday Elliott wave warned that we had the potential for another move to the downside yesterday, we had a note of caution due to the depth of the pullback alongside a flat EMA on the RSI. The futures did find bid support with price trading into the EMA resistance band; however as noted in the close report, the move was struggling to hold, the subsequent downside move below USD 8,811 on the Asian open is warning that support levels are vulnerable. Price is below the EMA resistance 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 8,851 with the RSI at or above 46.5 will mean price and momentum are aligned to the buy side whilst a close above USD 8,850 will imply momentum based on price is strengthening. The intraday swing high close and the daily pivot are in line with each other, making this an area of interest.
- The move below USD 8,811 means that the technical is now bearish, as is the intraday Elliott wave cycle, warning the USD 8,713 and USD 8,670 fractal support levels are now vulnerable.

# Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,310	Stochastic overbought	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 (37)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,333
- Technically bearish yesterday, the futures had rejected the EMA resistance band on the open and rolled to the downside, warning support levels remained vulnerable. However, we had a note of caution as the upside move had been on the back of a positive divergence on both the daily and intraday charts. We did see a move lower with price trading below the USD 2,317 fractal low on the Asian open. Price is below the EMA resistance 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 2,333 with the RSI at or above 42.5 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 2,349 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. only above USD 2,369 is the intraday technical bullish.
- Technically bearish, the intraday technical is back in divergence with the RSI whilst the daily RSI is now testing support (if the daily is still in divergence it is marginal). Not a buy signal the divergence is warning that we are vulnerable to a test to the upside and will need to be monitored. Intraday Elliott wave analysis does suggest that we have a potential downside target of USD 2,284; however, as noted, keep an eye on the divergence.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,924	R1	2,970		RSI below 50
S2	2,905	R2	2,985		
S3	2,890	R3	3,008		

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (39)
- Stochastic is below 50
- Price is below the daily pivot point USD 2,970
- A cautious bear yesterday as the futures had rejected the EMA resistance band, warning support levels were vulnerable; countering this, price was trading in a support zone that had in been in play for 7 months with the futures in divergence. The futures found light bid support with price testing the resistance band for a second time; however, we are selling lower on the Asian open. The RSI is below 50 with price and momentum aligned to the sell side.
- A close on the 4-hour candle above USD 2,970 with the RSI at or above 44 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 3,008 will leave the futures vulnerable to a test to the downside, above this level the technical will have a neutral bias. Only above USD 3,056.5 is the technical bullish.
- Other than price being lower on the Asian open, little has changed since yesterday. We remain technically bearish having rejected the EMA resistance band with price trading in a long-term support zone. The futures remain in divergence dating back to the low from the 27/02 meaning we have the potential to see a momentum slowdown, leaving us a cautious bear.

# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	23,121	R1	23,269	Stochastic oversold	RSI below 50
S2	22,455	R2			
S3	21,613	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (33)
- Stochastic is oversold
- Price is below the daily pivot point USD 23,448
- Technically bearish yesterday with price in divergence supported by an exhaustion pattern, for this reason we did not consider Nickel a technical sell yesterday. Price has continued to move lower with the futures 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 23,448 with the RSI at or above 41 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 24,355 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 24,950 is the intraday technical bullish.
- Technically bearish, the exhaustion pattern highlighted is looking a lot less like the pattern it originally was, suggesting it should be ignored. However, the RSI is still in divergence and on support, warning we still have the potential to see a momentum slowdown. We remain a cautious bear, from a technical perspective the futures are still not considered a technical sell at this point.



# Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,067	R1	2,082		RSI below 50
S2	2,054	R2	2,104	2,077	
S3	2,043	R3	2,115		

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (43)
- Stochastic is below 50
- Price is below the daily pivot point USD 2,082
- Bearish yesterday, the technical had looked like it could become interesting due to a large symmetrical triangle pattern that had broken to the downside. The futures did trade to a low of USD 2,069 but has so far failed to close below the USD 2,070 level we highlighted, as this would warn we could see downside acceleration. Price is below the EMA resistance 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 2,082 with the RSI at or above 48 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,115 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically we remain bearish with price below the symmetrical triangle; however, we still need to see a close below USD 2,070. If we do, it could have bearish implications going forward as it will warn that the technical is weakening, meaning we have the potential to see sell side momentum accelerate. If we see a close on the 4-hour candle above USD 2,106.5 it will warn that the pattern could be failing.

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