



# Base Morning Technical Report

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## China

China's new premier pledged to shore up growth and restore business confidence in the world's second-largest economy, seeking to assure the world that Beijing can overcome domestic difficulties and diplomatic tensions that have buffeted his country in recent months.

Li Qiang, at his first press briefing in his new government role, acknowledged China won't find it easy to meet its relatively conservative target of expanding gross domestic product by about 5% this year, as the government focuses on delivering stable prices, creating jobs and supplying ample housing. (WSJ/Bloomberg).

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,713	R1	8,838		
S2	8,683	R2	8,980		RSI below 50
S3	8,651	R3	9,061		

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (47)
- Price is below the daily pivot point USD 8,838
- Stochastic is overbought
- Bearish neutral with the RSI finding support on its MA yesterday, we had a more neutral view as the futures were in range and needed to see a directional breakout. The futures did trade to new lows before moving higher in the afternoon session (creating a positive divergence at the same time). Price is lower on the Asian open with the futures below the EMA resistance band whilst the RSI is below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 8,838 with the RSI at or below 46 will mean price and momentum were 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.
- The futures have made a lower low but the move failed to hold, supporting a bull argument; however, price has failed to close outside of the range (USD 8,960 – USD 8,732), until we do the technical is considered a bearish with a neutral bias.

# Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,312	R1	2,321		RSI below 50
S2	2,284	R2			
S3	2,260	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (45)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,312
- Technically bearish yesterday, the futures had traded within USD 1.00 or our downside target and moved higher on the back of a positive divergence, suggesting caution on downside moves. We did see a move to a new low which failed to hold; however, the upside move has rejected the EMA resistance band at this point. The RSI is below 50 but price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 2,312 with the RSI at or below 39 will mean price and momentum are aligned to the sell side.
- The downside rejection yesterday resulted in the futures breaching the USD 2,340 resistance, meaning the technical although bearish now has a neutral bias. A close on the 4-hour candle above USD 2,332 will warn that the USD 2,369 fractal resistance is vulnerable, above this level the intraday technical is bullish based on price. Due to the futures moving higher on the back of a positive divergence for a second time, we remain cautious on downside moves.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,890	R1	2,941		RSI below 50
S2	2,883	R2			
S3	2,854	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (45)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,934
- A cautious bear yesterday as the futures had moved higher on the back of a positive divergence with the RSI, whilst price remained in the support zone. Like the rest of the base complex, we had a move to the downside that failed to hold; however, price has rejected the EMA resistance zone at this point with the futures flat to yesterday's close. The RSI is below 50 with price and momentum conflicting, as the current candle is still open.
- A close on the 4-hour candle above USD 2,934 will mean price and momentum are aligned to the buy side; likewise, a close below this level with the RSI at or below 40 will mean price and momentum are aligned to the sell side.
- Technically we remain bearish with a neutral bias. Like Al, the futures have moved higher on the back of a secondary divergence with price still in the support zone, meaning we remain a cautious bear at this point, as resistance levels remain vulnerable.

# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	22,620	R1	23,123		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 (40)
- Stochastic is below 50
- Price is below the daily pivot point USD 23,183
- A cautious bear yesterday as the RSI was at 30 (the divergence had failed) with the base sector bid in the Asian session. Price moved higher and traded into the Fibonacci resistance zone before moving lower into the close. We remain below the EMA resistance band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 23,183 will mean price and momentum are aligned to the buy side; likewise, a close below this level with the RSI at or below 33.5 will mean it is aligned to the sell side. Upside moves that fail at or below USD 24,157 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 technical bullish.
- We remain technically bearish; however, we continue to have a note of caution due to the upside movement in the RSI being faster and greater than the movement in price. This would suggest that sell side momentum is weakening, as a move below USD 22,620 will create a positive divergence with the RSI.

# Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,079	R1	2,088.5		RSI below 50
S2	2,054	R2			
S3	2,043	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (49)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,079
- Technically bearish with a neutral bias yesterday, the futures were consolidating below the symmetrical triangle, meaning we remained vulnerable to a downside move. The futures did trade to a new low before moving higher in the afternoon session. Price is below the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,079 with the RSI at or below 44 will mean price and momentum are aligned to the sell side. Upside moves above USD 2,106 will mean the intraday technical is bearish.
- We remain bearish with a neutral bias; the futures are now starting to conflict a little. Price is below the symmetrical triangle; however, the downside move yesterday created a positive divergence with the RSI resulting in a move higher, warning resistance levels are vulnerable at this point, as this is the 4th time we have seen a downside move with no follow through.

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