



Base Morning Technical Report

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China

China reported a rebound in consumer spending, industrial output and investment this year after coronavirus restrictions were dropped, while warning of risks to the economy's recovery as unemployment rose and real estate investment continued to slump.

Retail sales rose 3.5% in January and February compared to the same period last year, the National Bureau of Statistics said Wednesday. Industrial output rose 2.4% and fixed-asset investment grew strongly, as local governments increased infrastructure spending to spur the recovery. However, the unemployment rate increased, pointing to weakness in domestic demand. (Bloomberg).

Al

Portland Aluminium Smelter will cut its overall production due to operational instability.

Production at the smelter will be reduced to about 75% of its total consolidated capacity of 358,000 metric tonnes per year, according to a Wednesday news release.

The smelter recently faced instability and challenges related to the production of rodded anodes.

Portland Aluminium is an unincorporated joint venture of Alcoa of Australia (55%) CITIC Nominees (22.5%) and Marubeni Aluminium Australia (22.5%). Alcoa of Australia is 60%-owned by Alcoa Corp. and 40%-owned by Alumina (ASX:AWC). (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,713	R1	8,843		RSI below 50
S2	8,683	R2	8,980		
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 8,443
- Stochastic is overbought
- The futures remain bearish with a neutral bias with below the EMA resistance band supported by the RSI below 50, intraday price and momentum are conflicting as the current candle is still open.
- A close on the 4-hour candle below USD 8,843 will mean price and momentum were aligned to the sell side. Likewise, a close above this level with the RSI at or above 51.5 will mean it is aligned to the buyside.
- The EMA's are flat, the MA on the RSI is flat, the daily pivot levels are flat. The futures are no longer in trend. The high/low range is USD 8,980 – USD 8,638 whilst the candle close range is USD 8,960 – USD 8,718. We at least need to see a close outside of the range.
- Technically neutral.

Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,347	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is above 50 (50)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,336
- Technically bearish with a neutral bias yesterday the futures had moved higher on the back of a positive divergence with the RSI, leaving us cautious on downside moves. The futures did move higher, producing a close on the 4-hour candle above USD 2,332, warning that the USD 2,369 fractal resistance is now vulnerable. Price is flat to close on the Asian open with the futures trading between the EMA resistance band, the RSI is neutral at 50 whilst intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,336 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 2,320 will support a near-term bull argument, below this level we target the USD 2,275 fractal low.
- Technically bearish with a neutral bias, the USD 2,369 fractal resistance is now vulnerable, if broken the intraday becomes bullish. Key support to follow is at USD 2,320.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,890	R1	2,926		RSI below 50
S2	2,883	R2	2,953		
S3	2,854	R3	2,968		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (42)
- Stochastic is below 50
- Price is below the daily pivot point USD 2,926
- We were a cautious bear yesterday as price had moved higher on a secondary divergence whilst in a support zone. The futures did reject the EMA resistance band resulting in a small move lower; however price continues to move lower this morning and could soon test the base of the support zone. The RSI is below 50 with intraday price and momentum conflicting.
- A close on the 4-hour candle above USD 2,926 with the RSI at or above 45.5 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.
- The futures are technically bearish with price looking like it could test the base of the support zone. However, below USD 2,880 we will create another positive divergence with the RSI, not a buy signal it does warn that we could see a momentum slowdown and will need to be monitored. We are taking a neutral view, it is not a technical sell due to the divergence; likewise, price action is not giving us any buy signals.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	22,620	R1	23,230		RSI below 50
S2	22,455	R2	23,510		
S3	21,613	R3	24,157		

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 23,230
- Technically bearish yesterday, we had a note of caution as the move up in the RSI had been aggressive, implying sell side momentum was weakening, as a new low would create a positive divergence with the RSI. The futures did move lower with price below all key moving averages supported by the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 23,230 will mean price and momentum are aligned to the buy side; likewise, a close below this level with the RSI at or below 35 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.
- Technically bearish, we remain cautious on downside price action, as a move below USD 22,620 will create a positive divergence with the RSI, not a buy signal it warns we have the potential to see a momentum slow-down on a new low.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,089.5	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is above 50 (50)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,083.5
- We remained bearish with a neutral bias yesterday as the technical was starting to conflict a little. Price was below the symmetrical triangle; however, the downside move from the previous day had created a positive divergence with the RSI, resulting in a move higher, warning resistance levels were starting to look vulnerable, as this was the 4th time we have seen a downside move with no follow through. The futures traded to a high of USD 2,107 meaning the intraday technical is bullish based on price, the futures are between the EMA resistance band with the RSI neutral at 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,083 with the RSI at or below 46 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.
- I have left the symmetrical triangle on the chart, but it looks like it is in the process of failing, as the intraday technical is now bullish. The MA on the RSI is also starting to turn higher, suggesting buyside momentum is starting to strengthen. Key support to now follow is at USD 2,074.