



Base Morning Technical Report

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China

Chinese Vice Premier He Lifeng on Tuesday told Temasek chairman Lim Boon Heng China's economy has been improving with stable growth in the manufacturing industry and the recovering in servicing sector, Xinhua News Agency reports.

Adds employment and prices are generally stable driven by investment, consumption, and exports (Bloomberg).

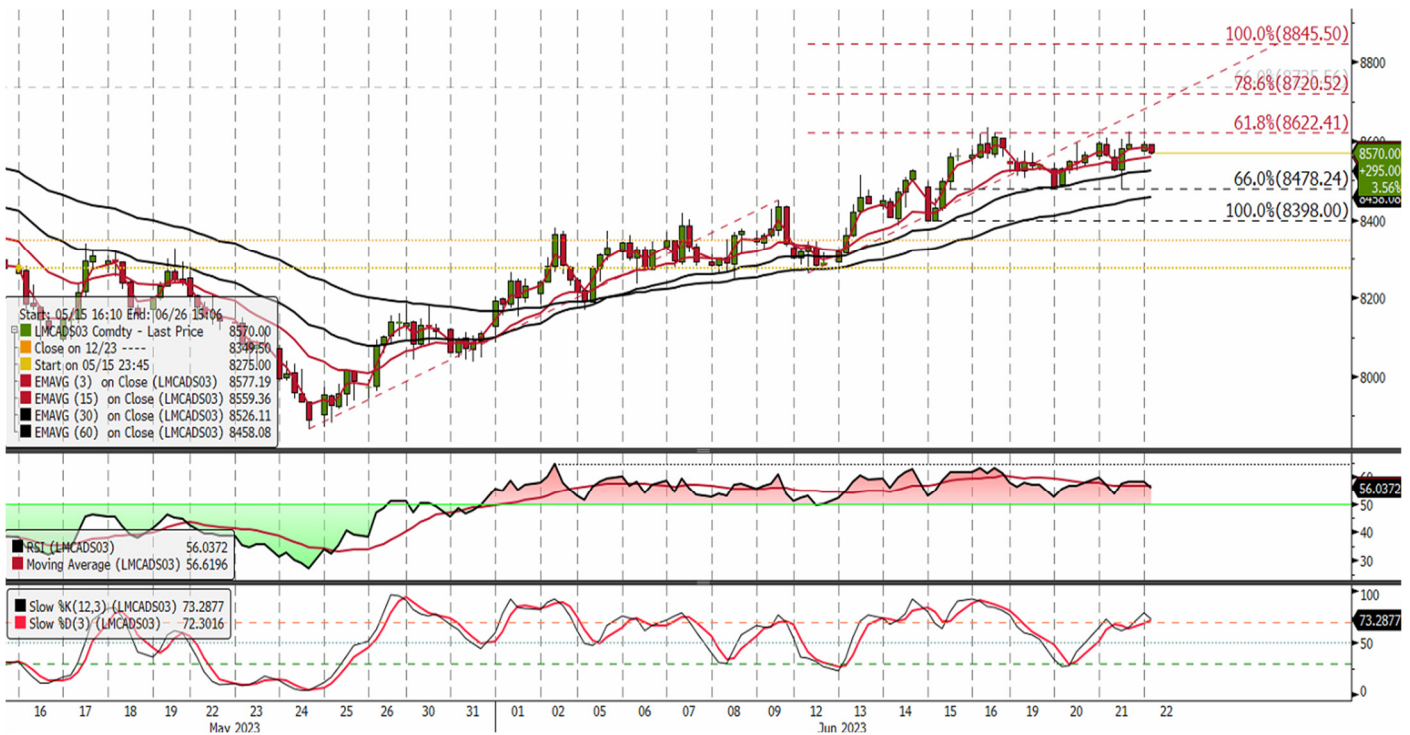
Al

Aluminum dropped on the London Metal Exchange as the market weighed monetary policy shifts in the US and China.

The US Federal Reserve expects interest rates will need to move higher to curb inflation, Chair Jerome Powell said on Wednesday. Meanwhile, the three main state newspapers in China — the world's top commodity consumer — ran front-page stories saying the nation's central bank will likely ease monetary policy further as it looks to boost flagging economic growth.

Aluminum fell as much as 1.3% to \$2,201 per ton, the lowest since May, while copper was steady. Other base metals were mixed. (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,563	R1	8,570	RSI above 50	Stochastic overbought
S2	8,478	R2			
S3	8,448	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (56)
- Price is above the daily pivot point USD 8,563
- Stochastic is overbought
- We were technically bullish yesterday with the futures remaining in divergence with the RSI, warning we had the potential to see a momentum slowdown. If we did trade to a new high it would have suggested that we were seeing some form of Elliott wave extension; however, the divergence and the Elliott wave cycle warned we could potentially exhaust soon, suggesting caution on upside moves. The futures traded into the EMA support band before trading to a high of USD 8,623, meaning the USD 8,634 fractal resistance continues to hold. Price is above 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 8,563 with the RSI at or above 59 will mean price and momentum are aligned to the buy side. Likewise, a close below this level with the RSI at or below 55 will mean it is aligned to the sell side.
- The futures traded to a low of USD 8,477 yesterday, meaning key support at USD 8,478 has been breached, the technical although bullish now has a neutral bias. Upside moves above USD 8,634 will create further negative divergences, not a sell signal, it is a warning that we have the potential to see a momentum slowdown and will need to be monitored. We remain cautious on upside moves at this point based on the divergence and our Elliott wave analysis.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,190	R1	2,226.5		RSI below 50
S2	2,178	R2			
S3	2,146	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (46)
- Stochastic is at 50
- Price is above the daily pivot point USD 2,224
- Technically neutral with price in consolidation yesterday, a close below that held below the trend support (USD 2,223) would warn that support levels have the potential to come under pressure, leaving the USD 2,190 fractal low vulnerable. As previously noted, a new low would warn we were seeing an Elliott wave extension to the downside. We maintained a neutral bias, based on the consolidation and flat averages. The futures traded below but failed to hold below the trend support yesterday; however, we have moved lower on the Asian open, meaning the futures are testing the trend line once again. Price is below the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 2,224 with the RSI at or below 44 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below 2,262 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically we are bearish within a neutral range, if the futures close below and hold below the trend support at USD 2,225 then the USD 2,190 fractal low could potentially be tested and broken. The bearish Elliott wave cycle looked to have completed on the 11/05/23 at the USD 2,190 low, if this level is broken it would suggest we are potentially in a new bear cycle (I.E., a larger bear cycle). We should note that the upside move after the trend break means we have a bullish rejection candle on the daily chart.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,366	R1	2,430	RSI above 50	
S2	2,324	R2			
S3	2,270	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (52)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,399
- Bullish based on price yesterday, the downside move below key support means we had a neutral bias, whilst the longer-term Elliott wave cycle remained bearish (key resistance on the wave cycle is at USD 2,732, the futures are bearish below this level but have a neutral bias above it), suggesting the USD 2,324 fractal support was vulnerable. A close below this level would imply that we had the potential to see further downside, based on price making a lower low. The rejection of the daily EMA resistance band had become more prominent after the move lower on Tuesday. We noted that the futures were finding support on the back of the daily RSI testing a rising MA. We held above the USD 2,324 support, resulting in a move higher, price is above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,399 with the RSI at or below 45 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,460 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 2,520.5 fractal high.
- Technically we remain bullish with a neutral bias with price remaining below key resistance levels. A close on the 4-hour candle below USD 2,415 will warn that the USD 2,399 fractal support could be tested and broken; however, market sellers will want to see a close below the base of the last dominant bull candle (USD 2,347) for confirmation that momentum based on price is weakening. The intraday Elliott wave cycle continues to suggest that upside moves should be considered as countertrend with key longer-term resistance at USD 2,732.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	20,720	R1	21,265	Stochastic oversold	RSI below 50
S2	20,650	R2			
S3	20,310	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (38)
- Stochastic is oversold
- Price is below the daily pivot point USD 21,520
- The futures remained in a corrective phase yesterday with the MA on the RSI suggesting that momentum remained weak; however, intraday Elliott wave analysis suggested that the current move lower was potentially countertrend, meaning USD 21,634 was still the key support to follow. The futures moved lower yesterday resulting in the key support being broken, 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 21,520 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 22,638 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 23,400 high.
- Technically we are bullish but with a neutral bias due to the depth of the pullback. Our intraday Elliott wave analysis suggested that this downside move looked to potentially be countertrend; however, there are now warning signs that this may not be the case. The deep pullback implies that the probability of the futures trading to a new high has decreased, whilst the MA on the RSI continues to suggest that momentum is weak. We also note that the RSI is now making new lows, warning that resistance levels could hold if tested in the near-term. This technical is conflicting, as support levels now look vulnerable, going against our wave count.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,180.5	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (68)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,158
- The downside move in the futures previously was enough to signal that we had entered a corrective Elliott wave 4, making USD 2,060 the key support to follow. Upside moves above USD 2,150 would confirm that the futures were on a bullish impulse wave 5. However, we remained in divergence with the RSI, suggesting caution on upside breakouts, making us a cautious bull. The futures continued to move higher with price above all key moving averages 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 2,158 with the RSI at or below 59 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,135 will support a bull argument, below this level the technical will have a neutral bias. Only below USD 2,112.5 is the technical bearish.
- Technically bullish, the futures have are now in an Elliott wave 5. We have a minor divergence in play on the 4-hour candle, not a sell signal it is a warning that we have the potential to see a momentum slowdown and needs to be monitored. The wave cycle is currently on a 125-minute candle time period, meaning this divergence is more prominent on a lower timeframe. We have a potential upside target using the William's method at USD 2,220. We are bullish but remain cautious due to this being a wave 5 whilst in divergence.