



Base Morning Technical Report

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U.S.

Treasury Secretary Janet Yellen sees diminishing risk for the US to fall into recession, and suggested that a slow-down in consumer spending may be the price to pay for finishing the campaign to contain inflation.

On the chance of a recession, Yellen said “my odds of it, if anything, have gone down — because look at the resilience of the labor market, and inflation is coming down.” She spoke in an interview with Bloomberg News Thursday.

“I’m not going to say it’s not a risk, because the Fed is tightening policy,” she said, alluding to the Federal Reserve’s 10 interest-rate hikes since March 2022, with potentially more to come. (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,486	R1	8,665	RSI above 50	
S2	8,414	R2	8,720		
S3	8,357	R3	8,845		

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA support band (Black EMA's)
- RSI is above 50 (52)
- Price is below the daily pivot point USD 8,665
- Stochastic is below 50
- Technically bullish with a neutral bias yesterday. An upside moves above USD 8,634 would create further negative divergences, not a sell signal, warned that we had the potential to see a momentum slowdown and needed to be monitored. We remained cautious on upside moves based on the divergence and our Elliott wave analysis. The futures traded to a high of USD 8,711.5, resulting in the RSI creating another negative divergence with price. The upside move has failed to hold with the futures now trading just under the top of the EMA support band, the RSI remains above 50 with price and momentum now aligned to the sell side.
- A close on the 4-hour candle above USD 8,665 with the RSI at or above 60 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 8,414 will support a bull argument, below this level the intraday Elliott wave cycle will have a neutral bias. However, below USD 8,477 the futures will have broken fractal support, meaning the technical will be bearish based on price, suggesting the USD 8,414 support could be tested and broken.
- Technically bullish, the futures are again moving lower on the back of a negative divergence. We maintain a cautious view at these levels based on our wave analysis and the divergence.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,190	R1	2,204	Stochastic oversold	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 (41)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,215
- Technically bearish within a neutral range yesterday, if the futures closed below and held 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 was 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. The futures traded below and closed below the USD 2,225 level, resulting in price trading to a low of USD 2,106. We remain 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 2,215 with the RSI at or above 47 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,261 will leave the futures vulnerable to further tests to the Downside, above this level the technical will have a neutral bias.
- We remain bearish within a consolidation zone, meaning we maintain a neutral bias. As previously stated, downside moves below USD 2,190 would suggest that we are seeing a new wave Elliott cycle in play (or at least some form of wave extension to the downside).

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,366	R1	2,405		RSI below 50
S2	2,324	R2			
S3	2,270	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (47)
- Stochastic is overbought
- Price is below the daily pivot point USD 2,437
- Technically we remained bullish with a neutral bias with price remaining below key resistance levels yesterday. 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 would 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 continued to suggest that upside moves should be considered as countertrend with key longer-term resistance at USD 2,732. The futures moved higher before selling lower into the close, we have seen further downside moves on the open. The futures have traded above but failed to hold above the USD 2,460 level. Price is below the EMA support band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 2,437 with the RSI at or below 47 will mean price and momentum are 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 buy side.
- Technically the futures entered back into bullish territory yesterday; however, the corrective move lower means the RSI is below 50 with the stochastic in overbought territory, momentum is warning that we are vulnerable to a move lower, providing the RSI can hold below the 50 level. We maintain our view based on our Elliott wave analysis that upside moves should be considered as countertrend at this point.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	20,720	R1	21,130	Stochastic oversold	RSI below 50
S2	20,650	R2			
S3	20,310	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 21,261
- Technically we were bullish but with a neutral bias yesterday due to the depth of the pullback. Our intraday Elliott wave analysis had suggested that the downside move looked to potentially be countertrend; however, there were warning signs that this may not be the case. The deep pullback implied that the probability of the futures trading to a new high had decreased, whilst the MA on the RSI continued to suggest that momentum was weak. We also noted that the RSI was making new lows, warning that resistance levels could hold if tested in the near-term. This technical was conflicting, as support levels looked vulnerable, going against our wave count. We had a small move lower yesterday resulting in the longer period EMA's crossing to the downside. Price is now 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 21,261 with the RSI at or above 43 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 22,624 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 23,400 high.
- Unchanged from yesterday, the Elliott wave cycle continues to suggest that we have the potential for another move higher. However, as noted yesterday the deep pullback means 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. The RSI has also made new lows, suggesting resistance levels should in theory hold if tested in the near-term. The USD 20.720 support now looks vulnerable, implying the Elliott wave cycle could fail.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,137	R1	2,141	RSI above 50	
S2	2,126	R2			
S3	2,110	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (53)
- Stochastic is below 50
- Price is below the daily pivot point USD 2,166
- Technically bullish yesterday, the futures were on an Elliott wave 5. We had a minor divergence in play on the 4-hour candle, not a sell signal it warned that we had the potential to see a momentum slowdown and needed to be monitored. The wave cycle was on a 125-minute candle time period, meaning this divergence was more prominent on a lower timeframe. We had a potential upside target using the William's method at USD 2,220. We were bullish but remained cautious due to this being a wave 5 whilst in divergence. The futures traded to a high of USD 2,190 before entering a corrective phase, we remain above the EMA support band with the RSI above 50, intraday price and momentum are now aligned to the sell side.
- A close on the 4-hour candle above USD 2,166 with the RSI at or above 63.5 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 2,137 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, with the futures now in a corrective phase on the back of a negative divergence, alongside being on a wave 5 we remain cautious on upside moves as support levels look like they could be tested and broken, as the wave cycle has potentially completed.

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