



Base Morning Technical Report

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U.S. Holiday

China/U.S

China's ambassador to the US, Xie Feng, met US Treasury Secretary Janet Yellen on Monday and discussed multilateral and bilateral economy and finance, the Chinese embassy in the US says on its WeChat account.

Xie expressed China's concern on economic and trade affairs and hoped the US would take actions to resolve them

Xie hoped the US will manage its differences with China, and enhance communications with China sincerely

NOTE: Yellen, China Envoy Xie Discussed Open Lines of Communication

NOTE: Yellen Heads to China This Week Advancing US Bid to Fix Ties (Bloomberg).

Copper Morning Technical (4-hour)



| | Support | Resistance | Current Price | Bull | Bear |
|----|---------|------------|---------------|--------------|-----------------------|
| S1 | 8,296 | R1 | 8,399 | RSI above 50 | Stochastic overbought |
| S2 | 8,267 | R2 | 8,470 | | |
| S3 | 8,226 | R3 | 8,517 | | |

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA Resistance band (Black EMA's)
- RSI is above 50 (51)
- Price is above the daily pivot point USD 8,363
- Stochastic is overbought
- Technically bearish with a neutral bias yesterday due to the depth of the pullback, above USD 8,470 the technical would be bullish based on price. However, upside moves that failed at or below USD 8,517 would warn that there is potentially a larger corrective cycle in play. The futures spent most of the session trading within the EMA resistance band before closing slightly higher on the day. Price remains within the band with the RSI near neutral at 51, intraday price and momentum are aligned to the sell buyside.
- A close on the 4-hour candle below USD 8,363 with the RSI at or below 44 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 8,226 will support a near-term bull argument, below this level the USD 8,141 fractal low will be vulnerable.
- Technically unchanged, we remain bearish with a neutral bias at this point. The MA on the RSI would suggest that momentum is supported; however, the futures need to trade above USD 8,470 to be bullish based on price. Key longer-term resistance is unchanged at USD 8,517.

Aluminium Morning Technical (4-hour)



| Support | Resistance | Current Price | Bull | Bear |
|---------|------------|---------------|------|--------------|
| S1 | R1 | 2,155.5 | | 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 (44)
- Stochastic is below/at 50
- Price is above the daily pivot point USD 2,158
- Technically bearish yesterday, the futures were in divergence with the RSI, not a buy signal it did warn that we had the potential to see a momentum slowdown which needed to be monitored, as it suggested that resistance levels could be vulnerable in the near-term. Upside moves above USD 2,212 would mean that the futures are bullish based on price; however, intraday Elliott wave analysis continued to suggest that upside moves were potentially countertrend, meaning the cycle was considered as bearish below USD 2,239 and neutral above. We had a small test to the downside, but the move failed to hold with price closing the day flat to the open. 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 below 2,158 with the RSI at or below 41 will mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is aligned to the buy side. Upside moves that fail at or below 2,185 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, we remain cautious on downside moves due to the futures moving higher on the back of a positive divergence with the RSI. The MA on the RSI has started to turn higher, suggesting we are seeing a slowdown in sell side momentum. Like yesterday, the futures are bullish on price above USD 2,212 but the Elliott wave cycle remains bearish below USD 2,239 and neutral above.

Zinc Morning Technical (4-hour)



| | Support | Resistance | Current Price | Bull | Bear |
|----|---------|------------|---------------|------|--------------|
| S1 | 2,324 | R1 | 2,371 | | RSI below 50 |
| S2 | 2,293 | R2 | 2,397 | | |
| S3 | 2,245 | R3 | 2,420 | | |

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (47)
- Stochastic is below 50
- Price is below the daily pivot point USD 2,371
- We remained bullish with a neutral bias yesterday. Intraday Elliott wave analysis continued to suggest that upside moves should be considered as countertrend; however, like last week we remained cautious on downside moves due to the triple bottom that had formed at USD 2,324. Market bears would need to see a close below that held below the support zone to signal downside continuation. The futures were flat to slightly lower with price remaining below the EMA resistance band with the RSI below 50, intraday price and momentum are conflicting as the RSI has not made a clean break below its MA.
- A close on the 4-hour candle below USD 2,371 with the RSI at or below 46 will mean price and momentum are 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. Upside moves that fail at or below USD 2,420 will leave the futures vulnerable to further tests to the downside, above this level the USD 2,470 fractal resistance could be tested.
- Technically unchanged, we remain bullish with a neutral bias with our Elliott wave analysis continuing to suggest caution on upside moves. However, we need to close below and hold below the USD 2,324 level for downside continuation, as this has been tested three times previously making it a key support level.

Nickel Morning Technical (4-hour)



| | Support | Resistance | Current Price | Bull | Bear |
|----|---------|------------|---------------|------|--------------|
| S1 | 19,951 | R1 | 20,540 | | |
| S2 | 19,531 | R2 | 20,865 | | RSI below 50 |
| S3 | 18,995 | R3 | 21,252 | | |

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 below the daily pivot point USD 20,540
- Unchanged on the technical yesterday, the futures were bearish with a neutral bias, but we remained cautious on downside moves due to the positive divergence that was in play. The futures closed the day slightly higher but failed to trade into the EMA resistance band. The RSI remains below 50 with price and momentum now conflicting.
- A close on the 4-hour candle below USD 20,473 with the RSI at or below 43 will mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is aligned to the buyside. Upside moves above USD 20,865 will mean the intraday technical is bullish.
- Unchanged again, we remain bearish with a neutral bias, above USD 20,865 the intraday technical is bullish. Like yesterday we have a note of caution on downside moves due to the divergence in play.

Lead Morning Technical (4-hour)



| | Support | Resistance | Current Price | Bull | Bear |
|----|---------|------------|---------------|------|-----------------------|
| S1 | 2,051 | R1 | 2,091 | | |
| S2 | 2,036 | R2 | 2,100 | | Stochastic overbought |
| S3 | 2,015 | R3 | 2,114.5 | | |

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (47)
- Stochastic is overbought
- Price is below the daily pivot point USD 2,091
- The upside move yesterday meant that the futures although bearish, now had a neutral bias, above USD 2,114.50 the futures would be bullish based on price. The RSI was neutral with the stochastic in overbought territory, if the RSI moved below and held below 50, then momentum would warn that we were vulnerable to a test to the downside. Likewise, if the RSI held above 50, then the overbought stochastic would be considered less relevant. We remained cautious on downside moves due to the futures moving higher on the back of the positive divergence. The RSI has moved below 50 resulting in a small move lower. Price is below the EMA resistance band with intraday price and momentum now conflicting.
- A close on the 4-hour candle below USD 2,091 with the RSI at or below 44 will mean price and momentum are aligned to the sell side. Likewise, a close above this level will mean it is aligned to the buy side.
- We remain bearish with a neutral bias, but cautious on downside moves due to the move higher on the 30/06 being on the back of a positive divergence. Momentum is conflicting a little here, as the RSI is below 50 with the stochastic still in overbought territory; however, the MA on the RSI suggests momentum is starting to look supported. For this reason we have more of a neutral bias.

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