# **S** Base Morning Technical Report

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### China

The People's Bank of China signaled more targeted support may be on the cards for the property market as it sought to assure investors that the risks banks face from the sector are controllable.

Real estate policies will be "tailored" to cities, Zou Lan, head of the monetary policy department, said Friday at the PBOC's briefing on first-half economic statistics. He added that the policies that were rolled out when the market was overheated can be "optimized marginally."

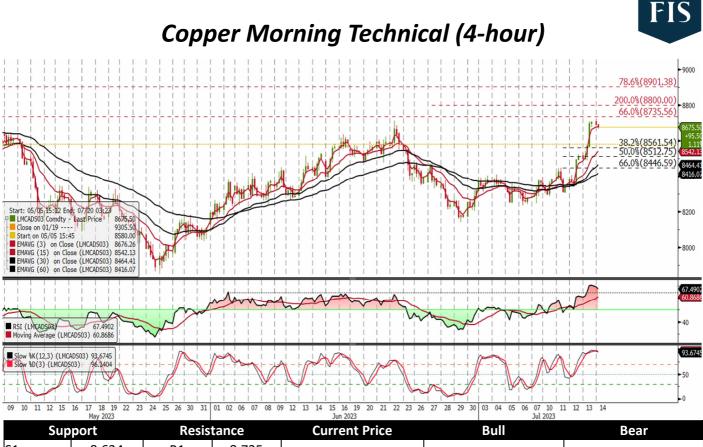
"Supply and demand in China's home market has shown profound changes," Zou said, adding that the central bank will further support home-buying demand on first homes and upgrades (Bloomberg).

### Metals

Base metals headed for their biggest weekly gain in six months as easing US inflation boosted optimism rate hikes may be nearing an end, and the dollar weakened.

Aluminum rallied more than 6% this week, while copper gained 3.8% as a gauge of the greenback fell to the lowest level since April 2022, making commodities cheaper for overseas buyers. The LMEX Index, which tracks the six main base metals, was up 4.2% as of Thursday, on course for its best week since January.

Metals have been under pressure in recent months amid China's tepid economic recovery coupled with monetary tightening in the US and Europe. While the Federal Reserve may raise interest rates again this month, many investors are betting that increase will be the final hike of this cycle (Bloomberg).



Support		Resistance		Current Price	Bull	Bear
S1	8,634	R1	8,735			
S2	8,561	R2	8,800	8,675	RSI above 50	Stochastic overbought
S3	8,512	R3	8,901			
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#### Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (67)
- Price is above the daily pivot point USD 8,634
- Stochastic is overbought
- The move higher yesterday meant that the intraday technical was bullish with the MA on the RSI suggesting momentum was supported. The USD 8,517 resistance had been breached, warning the USD 8,559 and USD 8,635 resistance levels were now vulnerable. Downside moves would now potentially be countertrend based on the RSI making a new high. The futures continued to move higher with price trading through our resistance levels. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 8,634 with the RSI at or below 58.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 8,446 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, momentum remains supported suggesting downisde moves will be potentially countertrend, making USD 8,446 the key support to follow.

## Aluminium Morning Technical (4-hour)



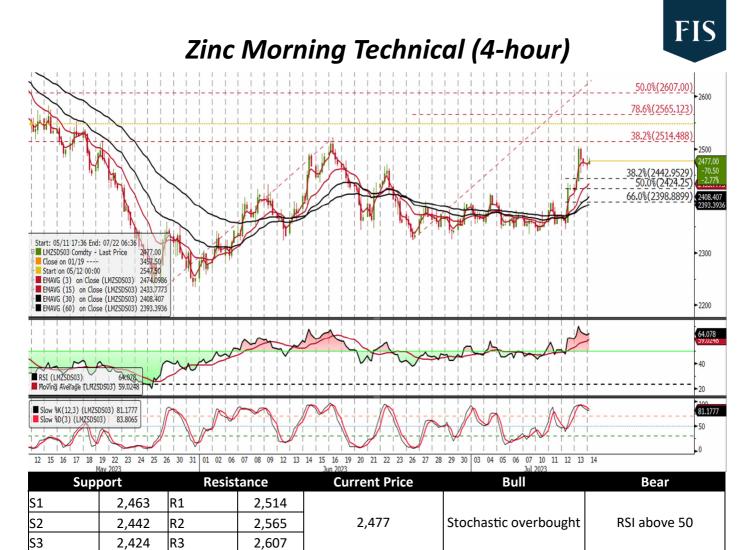
Support		Resistance		<b>Current Price</b>	Bull	Bear
S1	2,266	R1	2,294.5			
S2	2,243	R2	2,314.5	2,290	RSI above 50	Stochastic overbought
S3	2,228	R3	2,338.5			
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Synopsis - Intraday

Source Bloomberg

FIS

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (72)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,266
- Technically bullish based on price yesterday, the move above the USD 2,237 resistance suggested that the probability of getting a downside move to a new low was less likely, as the RSI was making new highs, implying downside moves should be considered as countertrend. Officially the Elliot wave cycle had not yet failed, price and momentum indicators were suggesting it will. The futures continued to move higher with price now testing the USD 2,294.5 fractal resistance. Price is above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,266 with the RSI at or below 63 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,207 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, we maintain our view that downside moves will potentially be countertrend at this point, based on the RSI making a new high whilst the MA on the RSI implies momentum is supported. We should note that the futures are currently trading in a longer-term resistance zone that acted as a support in April-May 3 times, and as a resistance band in May June on four occasions, suggesting market buyers should be cautious as we could see an intraday pullback soon.



### Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (63)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,463
- Technically bearish with a neutral bias yesterday, above USD 2,470 the intraday technical would be bullish based on price. However, the longer-term Elliott wave cycle remained bearish below USD 2,732. The MA on the RSI suggested momentum was supported with downside moves considered as countertrend, based on the RSI making new highs. The futures continued to move higher with price trading above the USD 2,470 resistance, meaning the intraday technical is now bullish. Price is above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,463 with the RSI at or below 56.5 will mean price and momentum are aligned to the sell side. Downisde moves that hold at or above USD 2,398 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the RSI has made a new high whilst its MA suggests momentum is supported, implying downside moves should be considered as countertrend at this point.

### Nickel Morning Technical (4-hour)

FIS



Support		Resistance		<b>Current Price</b>	Bull	Bear
S1	21,157	R1	21.293			
S2	20,959	R2	21,662	21,230	RSI above 50	
S3	20,804	R3	22,218			
					*	Source Bloomberg

### Synopsis - Intraday

- Price is between the EMA support band (Black EMA's)
- RSI is above 50 (53)
- Stochastic is above 50
- Price is below the daily pivot point USD 21,293
- Technically bullish with price making new highs yesterday, MA on the RSI suggested momentum was supported. The futures have seen a small pullback warning that the USD 20,959 support could be tested, making this the key level to follow. As previously noted, upside moves that fail at or below USD 22,218 will warn that there is potentially a larger corrective cycle in play. The futures traded to a low of USD 21,090 this morning meaning key support remains in place. The futures are trading between the EMA support band with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 21,293 with the RSI at or below 52.5 will mean price and momentum are aligned to the sell side. Likewise, a close above this level with the RSI at or above 55.5 will mean it is aligned to the buyside. Downside moves that hold at or above USD 20,959 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish but in a corrective phase, key support to follow remains at USD 20,959. The MA on the RSI is now starting to flatten, implying upside momentum is slowing. We also note a 5-wave pattern higher, suggesting caution on upside moves as support levels now look vulnerable.



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Support		Resistance		<b>Current Price</b>	Bull	Bear	
S1	2,112	R1	2,128				
S2	2,099	R2	2,146	2,121.5	RSI above 50	Stochastic overbought	
S3	2,090	R3	2,164				
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Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (62)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,112
- Technically bullish yesterday, the MA on the RSI suggested momentum was supported whilst the RSI is making new highs, implying that intraday downisde moves should be considered as countertrend. The futures continued to move higher with price above the EMA support band whilst the RSI is above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,112 with the RSI at or below 54.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,077 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the current intraday wave is greater then 161.8% of the previous wave, suggesting the move is bullish impulse. For this reason, we maintain our view that downside moves should be considered as countertrend at this point.

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