



Base Morning Technical Report

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China

China home prices dropped for a second month in July, a further sign of the deepening property downturn that's weighing on the world's second-largest economy.

New-home prices in 70 cities, excluding state-subsidized housing, fell 0.23% last month from June, when they slipped 0.06%, National Bureau of Statistics figures showed Wednesday. Prices slid 0.47% in the secondary market, according to the data. (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,132	R1	8,228	Stochastic oversold	RSI below 50
S2	8,034	R2	8,280		
S3	7,909	R3	8,321		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (37)
- Price is below the daily pivot point USD 8,228
- Stochastic is oversold
- The futures remained in a bearish trending environment yesterday with price showing signs that we could be basing around these levels (low 8,300 area). We remained in divergence warning we have the potential to see a momentum slowdown; however, intraday Elliott wave analysis continued to suggest we had the potential to test the USD 8,132 level. We remained a cautious bear. The futures broke to the downside with price trading to a low of USD 8,148 before finding light bid support. Price is below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 8,228 with the RSI at or above 40.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below 8,376 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically we remain in a bearish trend with the futures nearing the USD 8,132 target level. Very low timeframe wave analysis would suggest we could potentially see one more test to the downside; however, due to the intraday divergence we are cautious, as downside moves have the potential to be limited in the near-term.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,121	R1	2,141	Stochastic oversold	RSI below 50
S2	2,099	R2			
S3	2,088	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA Resistance band (Black EMA's)
- RSI is below 50 (37)
- Stochastic oversold
- Price is below the daily pivot point USD 2,149
- Technically bearish yesterday, we maintained our view that upside moves should be considered as countertrend based on the RSI making new lows alongside price, making USD 2,194 the key resistance to follow. The futures continued to move lower with price remaining below all key moving averages supported by the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,149 with the RSI at or above 39.5 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 2,191 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the futures are now in divergence with the RSI, warning we have the potential to see a momentum slowdown in the near-term. However, intraday Elliott wave analysis continues to suggest that upside moves should be considered as countertrend.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,275	R1	2,330	Stochastic oversold	RSI below 50
S2	2,246	R2	2,369		
S3	2,221	R3	2,392		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (28)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,330
- Technically unchanged yesterday, we remained bearish with intraday Elliott wave analysis suggesting upside moves will potentially be countertrend at this point, making USD 2,435 the key resistance to follow. The futures continue to move lower with price remaining below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,330 with the RSI at or above 34.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,424 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the current wave is more than 161.8% the length of the previous wave, indicating it is bearish impulse, implying upside moves should be considered as countertrend. However, lower timeframe momentum indicators are in divergence, implying we could see a momentum slowdown in the near-term.

Nickel Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	19,830	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (37)
- Stochastic is oversold
- Price is below the pivot point USD 19,945
- Technically unchanged yesterday, the futures continued to move lower with price remaining in divergence with the RSI, not a buy signal it warned that we have the potential to see a momentum slowdown. Due to the divergence in play, we maintained our view that the futures were not considered a technical sell. We saw another move lower yesterday that has resulted in the divergence now failing. Price is below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 19,945 with the RSI at or above 41 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below 20,607 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the divergence failure is warning that this phase of the cycle looks to be extending to the downside, suggesting upside moves could now potentially be countertrend. However, we remain cautious on downside moves at this point due to a divergence on the lower timeframe technical.

Lead Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	2,114	R1	2,127	2,123.5		RSI below 50
S2	2,089	R2	2,134			
S3	2,078	R3	2,145			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA Resistance band (Black EMA's)
- RSI is below 50 (49)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,114
- Technically bullish with a neutral bias yesterday; the futures remained in divergence on a lower timeframe warning we have the potential to see a momentum slowdown. For this reason, we remained cautious on downside moves. The futures have moved higher with price now trading in the EMA resistance band with the RSI near neutral at 49, intraday price and momentum are now aligned to the buyside.
- A close on the 4-hour candle below USD 2,114 with the RSI below 41.5 will mean price and momentum are aligned to the sell side. Upside moves above USD 2,145 will take the technical into bullish territory.
- The upside move yesterday traded above the USD 2,127 level, meaning the technical although bearish now has a neutral bias. The deep pullback means the probability of the futures trading to a new low has decreased. A cautious bear as the technical has risen into neutral territory on the back of a positive divergence.