



Base Morning Technical Report

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China

Fitch Ratings-Hong Kong/Shanghai-25 September 2023: The recent wave of policy easing in China will have a greater impact on existing homes for sale but is unlikely to propel sales of new homes on a sustained basis, says Fitch Ratings.

We expect most Chinese cities to remove restrictions on home transactions by the end of September as local authorities rush to boost home sales in the traditional peak selling season of September and October. This suggests room for further policy easing of this type may be more limited for most mid-tier and lower-tier cities if the positive effect, if any, turns out to be short-lived. (Bloomberg/Firch).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,138	R1	8,227		RSI below 50
S2	8,072	R2	8,289	8,183	
S3	8,015	R3	8,359		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (38)
- Price is below the daily pivot point USD 8,227
- Stochastic is below 50
- Technically bearish last week with intraday Elliott wave analysis suggesting upside moves should be considered as countertrend. The strong move lower on the 21/09 focused on the 15-month symmetrical triangle that was in play, with price trying for the downside breakout. The move failed with price closing the day back in the symmetrical, where we remained on Friday morning, as we were trading on (just below) the support line. If we traded below USD 8,071 (the low of the rejection candle), then focus would be on the daily support levels at USD 7,971 and USD 7,761. If we held above the support band, then the probability of the intraday Elliott wave cycle failing would increase. We noted that the daily Elliott wave cycle that we had highlighted on the daily technical a week previously that the higher timeframe wave cycle was back in bearish territory due to the depth of the downside move. The futures have moved lower with price continuing to trade just below the daily trend support. We remain 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 8,227 with the RSI at or above 42.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 8,359 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- We remain bearish with intraday Elliott wave analysis continuing to suggest that support levels are vulnerable at this point. A close on the 4-hour candle above USD 8,247.5 will be above the high of the last dominant bear candle, warning the USD 8,297.5 and the USD 8,359 resistance levels could come under pressure.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,218	R1	2,238	RSI above 50	Stochastic overbought
S2	2,212	R2	2,255		
S3	2,202	R3	2,263		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (51)
- Stochastic is overbought
- Price is below the daily pivot point USD 2,238
- Technically bullish on Friday, the intraday Elliott wave cycle continues to suggest that resistance levels were vulnerable, with downside moves looking like they could potentially be countertrend. The futures traded back up to a high of USD 2,251 going into the close but have sold lower on the Asian open. Price is above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,238 with the RSI at or above 58 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 2,218 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, price is moving lower with the MA on the RSI implying momentum is starting to weaken, making USD 2,218 the key support to follow. Below this level the probability of the futures trading to a new high will decrease due to the depth of the pull back.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,521	R1	2,545	RSI above 50	Stochastic overbought
S2	2,506	R2	2,563		
S3	2,479	R3	2,570		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (52)
- Stochastic is overbought
- Price is below the daily pivot point USD 2,545
- Technically bullish with a neutral bias on Friday, we noted that the corrective phase had potentially completed with the upside move on Friday warning that the USD 2,563 fractal resistance was vulnerable, which if broken would mean the USD 2,595 resistance could come under pressure. We traded to a high of USD 2,568 before correcting on the Asian open, price is above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,545 with the RSI at or above 56.5 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 2,506 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, The USD 2,595 resistance is now looking vulnerable, a move below USD 2,506 would suggest that the USD 2,475 fractal low could come under pressure. If the fractal support is broken, then we are looking at a complex corrective phase.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	19,175	R1	19,235	Stochastic oversold	RSI below 50
S2	18,898	R2			
S3	18,662	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (36)
- Stochastic is oversold
- Price is below the daily pivot point USD 19,343
- Technically bearish on Friday, the divergence from the 13/09/23 had failed due to the RSI making a new low. We maintained our view based on intraday Elliott wave analysis that upside moves should be considered as countertrend. The futures moved higher but have rejected the USD 19,523 resistance at this point. Price is below the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the buy side, as the previous candle closed above the daily pivot level.
- A close on the 4-hour candle below USD 19,343 with the RSI at or below 35.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 19,832 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- We remain bearish with upside moves considered as countertrend due to the divergence failure, meaning the USD 19,100 fractal support is vulnerable.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,195		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 (43)
- Stochastic is below 50
- Price is below the daily pivot point USD 2,201
- We remained bullish with a neutral bias on Friday, the new low on the RSI continued to suggest that upside moves had the potential to be countertrend, making USD 2,233 the key resistance to follow. The depth of the downside move meant that the probability of the futures trading to a new high had decreased. The futures traded up to but rejected the EMA resistance band, resulting in a move lower on the Asian open. The RSI is below 50 but intraday price and momentum are conflicting as the RSI is above its MA.
- A close on the 4-hour candle below USD 2,201 with the RSI at or below 40.5 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 that fail at or below USD 2,233 will leave the futures vulnerable to further tests to the downside, above this level the futures will target the USD 2,270 fractal high.
- We remain bullish with a neutral bias, the RSI low on the 21/09 continues to suggest that the USD 2,163 support is vulnerable. The RSI has found support on its MA and now needs to close below it for support levels to come under pressure. The probability of the futures trading to a new high has decreased; however, a move above USD 2,233 will mean that resistance levels will start to look vulnerable.