



Base Morning Technical Report

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China

China's factories look to have stabilized for now, though the recovery has been far from swift and the momentum for growth may be in trouble without more policy support.

An official gauge of manufacturing activity returned to expansion in September for the first time in six months, a sign that stimulus may be taking root. But it's not all smooth sailing: That index just barely cleared the dividing line between contraction and growth from the prior month, while a private gauge of activity in the sector underperformed and suggested the recovery isn't on solid ground just yet. (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,258	R1 8,296	8,268	RSI above 50	Stochastic overbought
S2	8,222	R2 8,359			
S3	8,173	R3 8,377			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (54)
- Price is below the daily pivot point USD 8,296
- Stochastic is overbought
- Technically bullish based on price on Friday, the longer-term Elliott wave cycle remained bearish below USD 8,359 and neutral above. We noted on the previous days close report that the MA on the RSI suggested that momentum was supported, meaning that downside moves had the potential to be countertrend. We have seen no intraday pullback with momentum remaining supported, suggesting this remains the case. The futures continued to move higher with price trading above but failing to hold above the USD 8,359 resistance. We are above the EMA resistance band with the RSI above 50, intraday price and momentum are conflicting as we have seen an upside rejection candle.
- A close on the 4-hour candle below USD 8,296 with the RSI at or below 48 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. Downside moves that hold at or above USD 8,173 will support a bull argument, below this level the technical will have a neutral bias.
- Bullish based on price, the upside move on the 29/09 means that the Elliott wave cycle has a neutral bias, whilst the MA on the RSI continues to suggest that momentum is supported at this point. Countering this is an intraday rejection candle, implying selling resistance at higher levels, warning support levels are vulnerable. Based on momentum, the downside move we are seeing has the potential to be countertrend; however, the resistance candle means we have a neutral bias due to the conflict, making USD 8,173 the key support to follow. Upside moves above the high of the rejection candle (USD 8,377) will warn that the USD 8,414 and USD 8,507 resistance level could come under pressure.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,326	R1	2,348	RSI above 50	Stochastic overbought
S2	2,303	R2			
S3	2,287	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (74)
- Stochastic is overbought
- Price is above daily pivot point USD 2,326
- Technically bullish on Friday, price and the RSI were making new highs whilst the MA on the RSI implied that momentum was supported, meaning intraday downside moves should be considered as countertrend. We were approaching Fibonacci resistance having traded to a high of USD 2,310.5, suggesting the upside move on Friday was starting to look a little over extended, meaning we could be vulnerable to intraday sellers between USD 2,313 – USD 2,325, warning that we had the potential to see some form of Intraday pullback if we moved much higher. The futures continued to move higher resulting in the RSI resistance failing, 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 2,326 with the RSI at or below 63.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,265 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the RSI and price continue to make new highs whilst the MA on the RSI implies momentum is supported. We maintain our view that downside moves should be considered as countertrend, making USD 2,265 the key support to follow.

Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,639	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is below 50 (65)
- Stochastic is overbought
- Price is below the daily pivot point USD 2,642
- Technically bullish on Friday, the MA on the RSI suggested that momentum was supported; however, we were a little cautious as the RSI was testing resistance, warning we were vulnerable to an intraday pullback. The longer-term Elliott wave cycle remained bearish with key resistance at USD 2,745, above this level the wave cycle would have a neutral bias, as the deep pullback would suggest that the probability of the futures trading to a new low would decrease. The futures traded to a high of USD 2664.5 before selling lower overnight. Price is above the EMA support band with the RSI above 50, intraday price and momentum are conflicting as the opening candle closed below the daily pivot level.
- A close on the 4-hour candle below USD 2,642 with the RSI at or below 59 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. Downside moves that hold at or above USD 2,537 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the futures are moving lower this morning; however, the MA on the RSI continues to suggest that momentum is supported at this point, implying support levels should in theory hold if tested, making USD 2,537 the key support to follow.

Nickel Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	18,690	Stochastic oversold	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 (38)
- Stochastic is oversold
- Price is below the daily pivot point USD 18,855
- The near-term technical was bearish with a neutral bias on Friday, whilst the MA on the RSI suggested that momentum was supported, meaning the USD 19,299 – USD 19,490 resistance levels had the potential to be tested. The futures traded to a high of USD 19,345 before selling lower into the close. Price remains 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 18,855 with the RSI at or above 44.5 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 19,888 will leave the longer-term technical vulnerable to further tests to the downside, above this level the Elliott wave cycle will have a neutral bias.
- Technically bearish, downside moves below USD 18,555 will create a positive divergence with the RSI, not a buy signal it does warn that we have the potential to see a momentum slowdown, suggesting caution on downside breakouts. However, intraday Elliott wave analysis continues to suggest that upside moves should be considered as countertrend at this point.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,164	R1	2,182	2,174.5	RSI below 50
S2	2,147	R2	2,203		
S3	2,132	R3	2,217		

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 daily pivot point USD 2,182
- Technically bullish with a neutral bias last week, the MA on the RSI suggested that we were seeing momentum support. Above USD 2,203 the technical is bullish based on price, meaning focus would be on the USD 2,228 resistance. The futures traded to a high of USD 2,203 before selling lower, 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 USD 2,182 with the RSI at or below 42 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 2,228 will leave the longer timeframe Elliott wave cycle vulnerable to further tests to the downside, above this level the futures will target the USD 2,270 fractal high.
- Unchanged on the technical, we remain bullish with a neutral bias, the MA on the RSI suggests that momentum remains supported, making USD 2,164 the key support level to follow. If broken, the USD 2,147 and USD 2,132 levels could come under pressure.