



Base Morning Technical Report

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Industrial Metals Monthly: China Metal Exports Jump

China's trade flows in the third quarter surged across major industrial materials compared with a year earlier. The rise in imports of raw metal ores including coking coal, iron ore, bauxite and copper ore coincided with the climb in exports for major intermediate and final metal products. This means that China's production activities picked up to fill the supply gap in industrial metals elsewhere. (Bloomberg)

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,167	R1	8,231	RSI above 50	Stochastic overbought
S2	8,127	R2	8,265		
S3	8,095	R3	8,377		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (57)
- Price is above the daily pivot point USD 8,167
- Stochastic is overbought
- Technically unchanged on Friday, intraday Elliott wave analysis continued to warn that the USD 8,231 fractal resistance could be tested and broken. However, price was still trading within the daily EMA resistance band (we opened within the band with price now just above it) suggesting caution on upside moves. We also noted that a new high would create a negative divergence on a lower timeframe Elliott wave cycle, again suggesting caution on upside breakouts above USD 8,231. Having sold lower on Friday the futures found bid support into the close with price slightly higher on the open today. We remain above all key moving averages supported by the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 8,167 with the RSI at or above 58.5 will mean price and momentum are aligned to the buy side. Likewise, a close below this level with the RSI at or below 54 will mean it is aligned to the sell side. Downside moves that hold at or above USD 8,052 will support a bull argument, below this level the technical will have a neutral bias.
- We remain technically bullish with intraday Elliott wave analysis warning that that the USD 8,231 fractal high could be tested and broken. However, as previously noted, a new high will create a negative divergence with the RSI, not a sell signal, it is a warning that we could see a momentum slowdown. On the daily chart, the futures have opened above the EMA resistance band with price now trading just above it, meaning we are yet to see a clean break above the higher timeframe resistance zone, meaning we remain a cautious bull.

Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,258.5	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 above 50 (60)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,248
- Technically bullish on the last report with intraday Elliott wave analysis suggesting downside move should be considered as countertrend, the MA on the RSI continued to suggest that momentum remained weak. An upside move that failed at or below USD 2,253 would leave the futures vulnerable to further tests to the downside, above this level the futures would target the USD 2,269 fractal high, making this the key resistance to follow. Based on the intraday Wave cycle we continue to be cautious on downside moves. The futures have moved higher with price now above the USD 2,253 resistance, price is above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 2,248 with the RSI at or below 53.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,214 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the resistance break is warning that the USD 2,269 fractal high is now vulnerable. However, a new high above USD 2,269 will create a negative divergence with the RSI, suggesting caution on upside breakouts.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,505	R1	2,520.5	RSI above 50	
S2	2,467	R2			
S3	2,442	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (58)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,505
- We remained bullish on Friday with the downside move holding above the USD 2,467 support previously, the RSI had also found support on its MA. Technically, resistance levels were vulnerable in the near-term; however, we remained cautious as the recent move had been unrelated to the technical. The longer-term Elliott wave cycle did suggest that the upside move is countertrend. We have seen a near-term move higher with price holding above the EMA support band. The RSI is above 50 with intraday price and momentum aligned to the buyside.
- A close on the 4-hour candle below USD 2,505 with the RSI at or below 55.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,467 will support a bull argument, below this level the technical will have a neutral bias.
- The technical is still bullish, However, a move above USD 2,538 will create a negative divergence with the RSI, implying caution on upside breakouts, as it is warning we could see a momentum slowdown on a new high. The longer-term Elliott wave cycle continues suggest that the upside moves look to be countertrend; however, it should be noted that the Elliott wave cycle is based on a psychological footprint on the market, which could potentially have changed due to the mine closure.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	18,111	R1	18,180		RSI below 50
S2	17,816	R2			
S3	17,460	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is below 50 (49)
- Stochastic is overbought
- Price is above the daily pivot point USD 18,111
- Our view was unchanged on the last report, we remained bearish but in divergence with the RSI, meaning we maintained our view that the futures are not considered a technical sell at Friday's levels. The futures have moved higher with price trading in the EMA resistance band, the RSI is near neutral with intraday price and momentum aligned to the buyside.
- A close on the 4-hour candle below USD 18,111 with the RSI at or below 43.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 18,393 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- The technical remains in bearish territory having seen a move higher on the back of a positive divergence with the RSI. The futures are now trading in the EMA resistance band with a neutral RSI, whilst the stochastic is overbought, we remain below key resistance. Momentum is warning that we are vulnerable to a move lower in the near-term; however, we maintain a cautious view on downside moves due to the divergence at lower levels.

Lead Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	2,157	R1	2,185	2,179	RSI above 50	Stochastic overbought
S2	2,143	R2	2,214			
S3	2,130	R3	2,240			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (66)
- Stochastic is oversold
- Price is above the daily pivot point USD 2,157
- We were bearish with a neutral bias on Friday, the futures had continued to move higher with the MA on the RSI suggesting momentum was supported. However, a move above USD 2,138 we had the potential to create a positive divergence with the RSI, not a sell signal, it warned that we have the potential to see a momentum slowdown, implying caution on upside breakouts. The futures did move higher on momentum support; however, the negative divergence has failed, as the RSI and price are both making new highs, 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 2,157 with the RSI at or below 56.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,113 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the divergence failure is warning that intraday downside moves should be considered as countertrend in the near-term.