



Base Morning Technical Report

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China

China Nov. Manufacturing PMI at 49.4; Est. 49.8 (Bloomberg)

Cu

Copper held near the highest level in more than 10 weeks as the potential shutdown of a major mine in Panama countered a weaker-than-expected reading for China's factory activity in November.

The official manufacturing purchasing managers index fell to 49.4 from 49.5 a month earlier, and was lower than an estimate of 49.8 in a Bloomberg survey, suggesting softening economic momentum. The non-manufacturing gauge, which measures activity in construction and services, eased to 50.2 from 50.6. (Bloomberg)

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,451	R1	8,477	RSI above 50	Stochastic overbought
S2	8,422	R2			
S3	8,397	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI is above 50 (60)
- Price is above the daily pivot point USD 8,451
- Stochastic is overbought
- Technically bullish yesterday, we had entered the bullish impulse wave 5 due to the futures making a new high, using wave analysis we had a potential upside target as high as USD 8,614. The MA had flattened and was starting to turn higher, warning that momentum had started to strengthen. However, the new high meant that we had a negative divergence in play with the RSI, not a sell signal, it was a warning that we had the potential to see a momentum slowdown which needed to be monitored. A move below USD 8,378 (correction, should have been USD 8,397) would warn that the probability of the futures trading to a new high had started to decrease. The futures traded to a low of USD 8,408 before finding buyside support. 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 8,451 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 8,397 will support a bull argument, below this level the technical will have a neutral bias.
- We remain technically bullish having tested the downside yesterday. Upside moves above USD 8,500 will create a new high, but the futures will remain in divergence, we continue to have a potential upside target at USD 8,614. Like yesterday, a move below USD 8,397 will mean that the probability of the futures trading to a new high will start to decrease.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,196	R1	2,215		RSI is below 50
S2	2,186	R2			
S3	2,165	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (46)
- Stochastic is at 50
- Price is below the daily pivot point USD 2,218
- Technically we are back in bearish territory yesterday, the upside rejection on the open warned that support levels were vulnerable; however, the MA on the RSI suggested that momentum was neutral. A close on the 4-hour candle above USD 2,231.5 would be above the high of the last dominant bear candle, warning that resistance levels could be vulnerable. The futures moved sideways yesterday with price remaining below the EMA resistance band with the RSI below 50, intraday price and momentum continue to conflict.
- A close on the 4-hour candle below USD 2,218 with the RSI at or below 43 will mean price and momentum are aligned to the sell side. Likewise, a close above this level with the RSI at or above 47.5 will mean it is aligned to the buyside. Upside moves that fail at or below USD 2,242 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 2,264 fractal resistance.
- Unchanged on the technical today with price remaining in bearish territory. The upside rejection on the open previously, warned that support levels are vulnerable; however, the MA on the RSI is suggesting that momentum remains neutral. A close on the 4-hour candle above USD 2,231.5 will be above the high of the last dominant bear candle, warning that resistance levels could be vulnerable.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,489	R1	2,494	Stochastic oversold	RSI below 50
S2	2,462	R2			
S3	2,428	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (44)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,514
- Unchanged on the technical yesterday, we remained bearish with a neutral bias. The MA on the RSI was flat to slightly lower, warning momentum was starting to weaken. A close below USD 2,519 will warn that support levels could come under pressure; likewise, a close above USD 2,574 will leave the USD 2,602 resistance vulnerable. The futures closed below USD 2,519 resulting in the USD 2,489 support being tested. Price is below all key moving averages with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,514 with the RSI at or above 47 will mean price and momentum are aligned to the buy side. Upside moves that fail below USD 2,602 will warn that we potentially have a larger bearish wave cycle in play.
- The downside move yesterday means the technical is again bearish. The MA on the RSI is warning that momentum is weak, meaning the USD 2,477 fractal support is now vulnerable. Upside moves above USD 2,555.5 will warn that resistance level could be tested and broken.

Nickel Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	16,765	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is at 50 (50)
- Stochastic is overbought
- Price is below the daily pivot point USD 17,085
- The near-term technical was bearish but with a neutral bias yesterday, the longer-term wave cycle was bearish. As noted previously, resistance levels were vulnerable, the upside move meant that the MA on the RSI implied that momentum was supported, whilst the RSI was making new highs. This suggested that downside moves have the potential to be countertrend in the near-term, making USD 16,248 the key support to follow. The futures traded to a high of USD 17,270 before entering a corrective phase. Price is in the EMA resistance band with the RSI at 50, intraday price and momentum are aligned to the sell side at this point, but the candle is still open meaning it is actually conflicting.
- A close on the 4-hour candle below USD 17,085 with the RSI at or below 50.5 will mean price and momentum are aligned to the sell side. Likewise, a close above this level with the RSI at or above 55 will mean it is aligned to the buy side. Key resistance in terms of the Elliott wave cycle is at USD 17,694, we remain bearish below this level and neutral above in the near-term. However, we should note that this is an extended wave 3 (the time period in terms of Elliott wave cycle is 720 min candle for the higher timeframe key higher timeframe with resistance at USD 19,463) with multiple timeframes. In theory USD 17,964 is a key level on the 205-minute cycle and should hold, but we still remain conscious of the larger cycle in play; as a break above this level, although not ideal and it asks questions on the wave cycle, it does not change the longer-term wave footprint of it.
- Technically bearish with a neutral bias, the RSI is below its MA, but the MA is warning that momentum is still supported. The new high in the RSI continues to suggest that downside moves look like they will be countertrend in the near-term, making USD 16,326 the key near-term support to follow. Finally, the downside move since yesterday is looking like we could be forming a flag pattern, leaving the futures vulnerable to an upside breakout, if we start seeing bullish closes.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,130.5	Stochastic oversold	RSI is below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (32)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,147
- We entered bearish territory yesterday with intraday price and momentum starting to conflict, warning sell side momentum was slowing, meaning we could see a corrective move higher. Upside moves were considered as countertrend. The futures traded to a low of USD 2,125 with price still below the EMA resistance band. The RSI is below 50 with price and momentum aligned to the sell side.
- A close on the 4-hour candle above USD 2,147 with the RSI at or above 37 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,228 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the MA on the RSI is starting to flatten warning sell side momentum is showing signs that it is slowing down. However, due to the RSI making new lows, we maintain our view that upside moves look like they will be considered as countertrend at this point.