



Base Morning Technical Report

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Metals

0837 GMT - Base metal prices move higher, buoyed by a weaker dollar ahead of Friday's key employment data from the U.S. Three-month copper is up 0.7% at \$8,302 a metric ton while aluminum is 0.4% higher at \$2,148.50 a ton. Gold, meanwhile, is flat at \$2,048.10 a troy ounce. Investors are worried over worsening economic data and slowing growth going into 2024, says Peak Trading Research. Investors expect 185,000 nonfarm jobs to be added to the U.S. economy Friday, with an unemployment rate of 3.9%, it adds. A weaker jobs report would likely stress the dollar, a bullish sign for commodities, Peak says. (Bloomberg)

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,246	R1	8,315	Stochastic oversold	RSI below 50
S2	8,207	R2	8,391		
S3	8,152	R3	8,439		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- The RSI is below 50 (41)
- Price is below the daily pivot point USD 8,315
- Stochastic is oversold
- Technically bearish yesterday, the RSI had made a new low whilst the MA on the RSI implied that momentum was weak, suggesting upside moves had the potential to be countertrend. Key resistance is at USD 8,258, a move above this level will mean that the probability of the futures trading to a new low will start to decrease. The futures traded into the EMA resistance band before selling lower yesterday. Price is below all key moving average supported by the RSI, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 8,315 with the RSI at or above 46.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 8,503 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 continues to suggest that momentum is weak, whilst intraday Elliott wave analysis continues to suggest that upside moves should be considered a countertrend. upside moves above USD 8,503 will warn that the probability of the futures trading to a new low will start to decrease.

Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,151.5	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 (35)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,152
- Technically bearish yesterday, the divergence failure warned that we were seeing Elliott wave extension to the downside, meaning upside moves look like they could be countertrend, making USD 2,194 the key resistance to follow. If broken, then the probability of the futures trading to a new low will start to decrease. The futures continued to move lower on the back of the divergence failure. 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 2,152 with the RSI at or above 36.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,190 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 the MA on the RSI continuing to suggest that momentum is weak. However, the RSI is trading on its average, if we start to close above it, then it will warn that sell side momentum is potentially starting to slow. However, due to the Elliott wave extension to the downside previously, we maintain our view that upside moves should be considered as countertrend. key resistance is now at USD 2,190, a move above this level will mean that the probability of the futures trading to a new low will start to decrease.

Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,432.5	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 (39)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,436
- Technically bearish on the previous report, the MA on the RSI was neutral with price and momentum aligned to the buyside, warning that resistance levels were vulnerable, making USD 2,493 the key level to follow. If broken, then the probability of the futures trading to a new low will start to decrease. However, intraday Elliott wave analysis is suggesting that upside moves should be considered as countertrend, implying there are further downside moves to come. The futures traded to a high of USD 2,467.5 before trading to a new low into the close. We are below all key moving averages with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 2,436 with the RSI at or below 34 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 2,448 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the intraday Elliott wave cycle is implying that we have the potential to trade as low as USD 2,369. However, we now have a note of caution on downside moves, as the new low has created a positive divergence with the RSI, whilst the RSI is above its MA. This would suggest caution on downside moves as it is warning that the USD 2,448 resistance is starting to look vulnerable. A move above USD 2,467 will mean that the intraday technical is bullish.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	16,326	R1	16,520		RSI below 50
S2	16,146	R2			
S3	15,840	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (48)
- Stochastic is below 50
- Price is above the daily pivot point USD 16,409
- We remained technically bearish yesterday, but price had moved higher on the open. In theory the upside move looked like it should be considered as countertrend, based on the lower timeframe Elliott wave cycle. However, an upside move above USD 17,090 will warn that buyside momentum is increasing, meaning we could see the USD 17,270 and USD 17,590 resistance levels come under pressure. The futures sold lower for the remainder of the session; however, like yesterday, we have moved higher on the open. Price is below the EMA resistance band with the RSI below 50. Intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 16,409 with the RSI at or below 46.5 will mean price and momentum are aligned to the sell side. The next piece of dialogue is unchanged again. 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 with multiple timeframes in play (the time period in terms of the Elliott wave cycle is 720 min candle for the higher timeframe with key resistance at USD 19,463). In theory USD 17,964 is a key level on the 205-minute cycle and should hold, but we remain conscious of the larger cycle in play; as a break above this level, although not ideal which will ask questions on the wave cycle, it does not change the longer-term wave footprint.
- Unchanged on the technical, we remain bearish with price moving higher on the open. In theory the upside move looks like it should be considered as countertrend based on the lower timeframe Elliott wave cycle. However, an upside moves above USD 17,090 will warn that buyside momentum is increasing, meaning we could see the USD 17,270 and USD 17,590 resistance levels come under pressure. (unchanged)

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,036	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 (27)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,041
- We remained in a bearish trending environment with the RSI rejecting its MA yesterday, warning of momentum weakness. The 4-hour RSI is back in divergence which needed to be monitored; however, intraday Elliott wave analysis continues to suggest that upside moves should be countertrend. The futures continue to move lower with price below all key moving averages supported by the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 2,041 with the RSI at or below 26 will mean price and momentum are aligned to the sell side. Likewise, a close above this level with the RSI at or above 30.5 will mean it is aligned to the buyside. Upside moves that fail at or below USD 2,193 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Unchanged on the technical today, we remain in a bearish trending environment with a minor divergence still in play. Not a buy signal, it is a warning that we have the potential to see a momentum slowdown which needs to be monitored. Intraday Elliott wave analysis continues to suggest that upside moves should be countertrend.