



# Base Morning Technical Report

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## China

China's commercial lenders held their benchmark lending rates in line with the central bank's recent move to maintain borrowing costs, as attention shifts toward the likelihood of more easing in the coming months.

The one-year loan prime rate was kept at 3.45%, matching the consensus forecast among economists surveyed by Bloomberg. The five-year rate — a reference for mortgages, was also held at 4.2% as projected — data from the People's Bank of China showed. Last week, the PBOC refrained from trimming the rate on its one-year policy loans. (Bloomberg).

## Ni

A prolonged slump in nickel prices is stress-testing producers worldwide, raising the prospect of sweeping mine closures that will deepen Indonesia's dominance of global supply.

The metal used in stainless steel and electric-vehicle batteries is down more than 40% from a year ago amid a growing global glut. That's piling pressure on higher-cost operations and could pose the greatest risk to new projects outside Indonesia.

So far, the main casualties are in Australia. On Monday, billionaire Andrew Forrest's nickel producer Wyloo Metals Pty Ltd. said it's shutting down mines. BHP Group Ltd. last week warned on prospects for its Nickel West operation, while First Quantum Minerals Ltd. suspended a mine.

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,357	R1	8,359		Stochastic overbought
S2	8,294	R2			
S3	8,245	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- The RSI is at 50 (50)
- Price is above the daily pivot point USD 8,357
- Stochastic is overbought
- Technically bearish on Friday, the futures had produced a bullish rejection candle on the daily chart with the intraday technical in divergence. We noted that downside moves were failing to hold, with warnings of a momentum slowdown due to the divergence, meaning we maintained our view that the futures were not considered a technical sell at those levels. Our intraday Elliott wave analysis continued to suggest that upside moves were considered as countertrend at this point. The futures moved higher with price breaching the USD 8,386 resistance meaning the intraday technical has a neutral bias. We are between the EMA resistance band with the RSI neutral at 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 8,357 with the RSI at or below 44.5 will mean price and momentum are aligned to the sell side. Upside moves above USD 8,460 will mean the intraday technical is bullish based on price; however, key resistance in terms of the Elliott wave cycle is at USD 8,555. Only above this level dose the wave cycle become neutral.
- Technically bearish with a neutral bias (based on near-term price action), we now look to be in the early stages of a countertrend Elliott wave B. The MA on the RSI implies that intraday momentum is supported with the RSI neutral at 50, the futures have opened above the weekly pivot level (USD 8,339), warning resistance levels are starting to look vulnerable. However, we have the daily 200-period MA at USD 8,371 and the weekly 200-period MA at USD 8,374, making this an inflection point. If we close above and hold above the averages, then resistance levels could come under pressure. Failure to do so will warn that support levels could be tested and broken.

# Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,171	R1	2,172		RSI below 50
S2	2,151	R2			
S3	2,122	R3			

**Synopsis - Intraday**

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (37)
- Stochastic is below 50
- Price is above/on the daily pivot point USD 2,171
- We remained in a bearish trending environment on Friday with price making new lows, the intraday Elliott wave cycle continued to suggest that upside moves had the potential to be countertrend. The new low meant that we had a minor divergence with the RSI in play, this was more prominent on the 1-hour chart, not a buy signal it warned that we had the potential to see a momentum slowdown which needed to be monitored. For this reason, we maintained a cautious view on downside moves, as we remained vulnerable to an intraday move higher. The futures traded to a low of USD 2,158 before finding light bid support. We are below all key moving averages with the RSI below 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 2,171 with the RSI at or below 32 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,316 will leave the futures vulnerable to further test to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the futures are moving higher on the minor divergence, the MA on the RSI is starting to turn higher, implying sell side momentum is showing signs that it could be slowing down. We maintain our view based on the Elliott wave cycle that upside moves look to be countertrend; however, we remain cautious on downside moves at these levels due out the divergence and slowing momentum.

# Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,464		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 below 50
- Price is below the daily pivot point USD 2,470
- Technically bearish on Friday, we noted that if we traded below USD 2,443 then intraday Elliott wave analysis would suggest that we had a potential downside target at USD 2,371, based on Fibonacci projection values; however, it also meant that there would be a lower timeframe divergence in play, implying caution. Upside moves were still considered as countertrend, we highlighted that if we traded to a new low, this might not be the case, as it would mean we could potentially have entered an Elliott wave 5 of a wave C (I.E., the last wave of this phase of the cycle). The futures continue to move sideways with price below all key moving averages, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 2,470 with the RSI at or below 36 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. Upside moves that fail at or below USD 2,556 will leave the futures vulnerable to further test to the downside, above this level the technical will have a neutral bias.
- Unchanged on the technical, we remain bearish with a potential downside target at USD 2,371; however, a new low will create a positive divergence with the RSI, implying caution on downside breakouts. Upside moves are still considered as countertrend, providing we do not trade below USD 2,443.

# Nickel Morning Technical (4-hour)



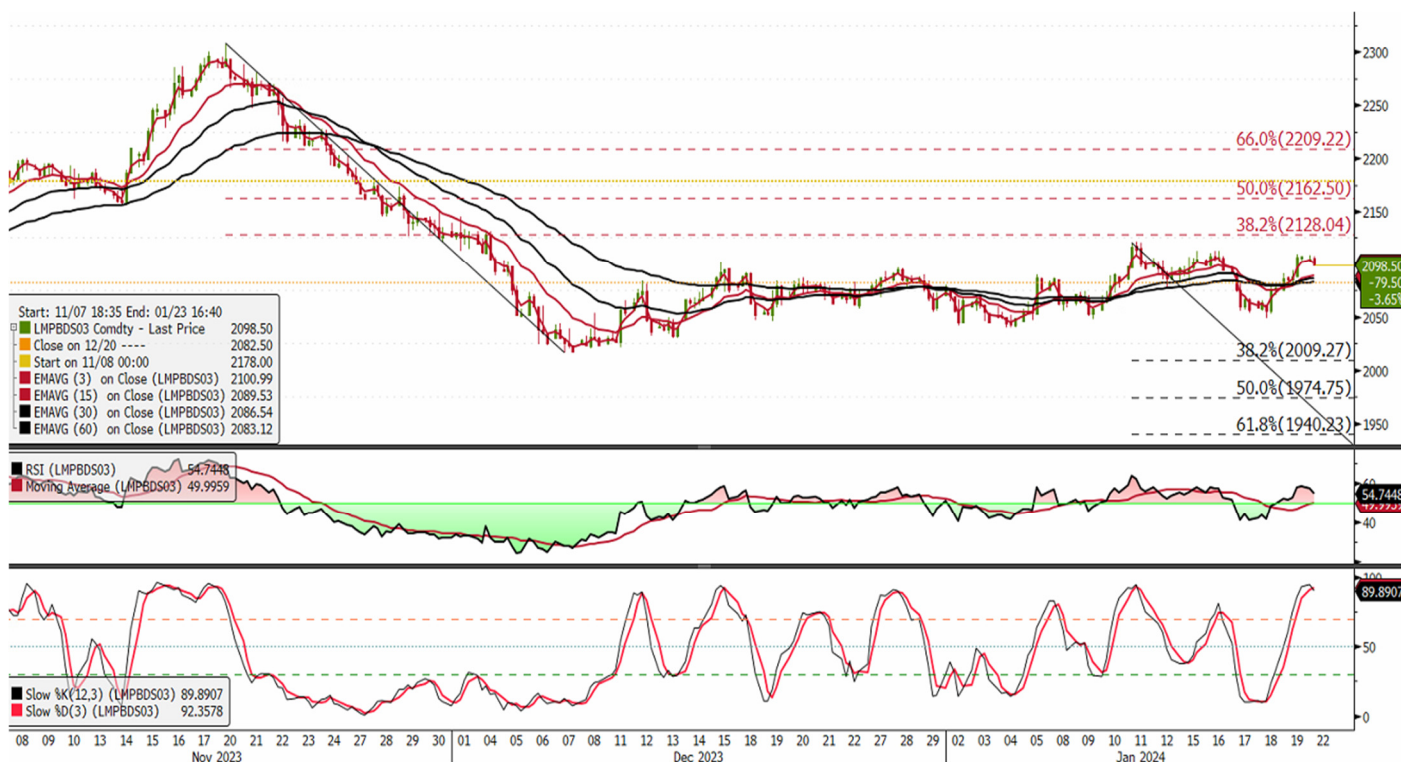
	Support	Resistance	Current Price	Bull	Bear
S1	15,840	R1	16,040	Stochastic oversold	RSI below 50
S2	15,606	R2			
S3	15,455	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (43)
- Stochastic is oversold
- Price is below the daily pivot point USD 16,128
- Technically bearish on Friday, the futures had broken the USD 16,255 fractal but we failed to move higher due to the intraday EMA resistance band. We noted that if we traded below USD 16,000 it would create a positive divergence with the RSI; however, this could also signal another lower timeframe Elliott wave cycle. If it did, then in theory, the 4-hour divergence should fail. As noted, many times, we remained cautious on upside moves due to the daily EMA resistance band. The futures have moved lower with price breaking the USD 16,000 fractal support. We are 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 16,128 with the RSI at or above 48.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 16,871 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the move below the USD 16,000 is warning that we are seeing some form of Elliott wave extension to the downside, meaning the USD 15,895 – USD 15,840 is starting to look vulnerable. However, we are mindful that there is a divergence in play, we are bearish but have a note of caution.

# Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,097	R1	2,121.5	RSI above 50	Stochastic overbought
S2	2,040	R2	2,128		
S3	2,009	R3	2,162		

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (54)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,097
- Technically bearish on Friday with upside moves considered as countertrend based on our intraday Elliott wave analysis. The RSI was back above its average, but the MA continued to move lower, warning momentum was still showing signs of weakness. We maintained a cautious view on upside moves as the futures were trading in the daily EMA resistance band. We have seen a small move higher with price back above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,097 with the RSI at or below 47.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,209 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, we remain in range with upside moves considered as countertrend. The MA on the RSI has turned higher, warning momentum is supported at this point, meaning resistance levels could come under pressure in the near-term. The longer-term averages are still flat, implying a lack of real directional bias.