



Base Morning Technical Report

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China

The increase in China's consumer prices is expected to be short-lived, economists say, as the boost from a long holiday is overshadowed by signs of sluggish domestic demand.

The consumer price index's 0.7% rise in February beat expectations and was the first advance since August. The price rebound was helped by a Lunar New Year holiday that came later than in 2023, and the return of travel and spending that topped levels from before the pandemic. (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,516	R1	8,606	RSI above 50	
S2	8,483	R2	8,667		
S3	8,427	R3	8,724		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (54)
- Price is below the daily pivot point USD 8,606
- Stochastic is below 50
- Technically bullish on Friday with the futures on a bullish impulse wave 5, our intraday Elliott wave analysis continued to suggest that we had a potential upside target at USD 8,724. However, the new high meant that the futures were in divergence with the RSI, not a sell signal it warned that we had the potential to see a momentum slowdown which needed to be monitored. If we did trade below the USD 8,513 support, then the probability of the futures trading to a new high would start to decrease. Having traded to a high of USD 8,689 we have now entered a corrective phase. Price is above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the candle above USD 8,606 with the RSI at or above 60.5 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 8,516 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the futures are moving lower on the back of a negative divergence with the RSI, warning support levels are starting to look vulnerable. Price and momentum are aligned to the sell side; however, the futures are above the weekly pivot level (USD 8,579), if we continue to hold above this level, then resistance levels will remain vulnerable. If we close on the daily chart below USD 8,579 then there is a higher chance that the USD 8,516 support will be broken; if it is, then 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	2,231	R1	2,245	RSI above 50	
S2	2,221	R2	2,268		
S3	2,206	R3	2,278		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (52)
- Stochastic is below 50
- Price is below the daily pivot point USD 2,245
- Technically bearish with a neutral bias on Friday, the upside move previously did not create a negative divergence with the RSI on the 4-hour chart. However, on the lower timeframe we did have a bullish impulse 5 wave Elliott wave pattern that was in divergence. This warned that we could see a momentum slowdown which would need to be monitored. We noted that the fact that the move was a bullish impulse pattern did suggest that the footprint in the market was potentially changing, warning that USD 2,269 fractal resistance could be broken before we saw a technical pullback. If it was, then the intraday technical would be bullish. The futures traded to a high of USD 2,267 before entering a corrective phase. We remain above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,245 with the RSI at or above 58.5 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 2,206 will support a near-term bull argument, below this level the technical will be back in bearish territory.
- Technically bearish with a neutral bias, the downside move below the USD 2,246.5 fractal support means that sell side momentum is increasing. Price is moving lower on the back of multiple timeframe divergences, warning that support levels are vulnerable in the near-term. A close on the daily chart below USD 2,239 (Weekly Pivot) will further warn that sell side momentum is increasing. As noted last week, the 5-wave impulse move is a warning that the technical footprint could be changing, making USD 2,206 the key support to follow. If it holds, it will warn that there is potentially a larger bullish wave cycle in play.

Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,518.5	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 (61)
- Stochastic is overbought
- Price is below the daily pivot point USD 2,528
- We noted on Friday that the futures had looked like they were on a higher timeframe bearish phase (within the Elliott wave cycle), which may still be the case; however, with the probability of the futures trading to a new low now had started to decrease whilst the RSI was making new highs. The MA on the RSI implied that momentum was supported, alongside the time factor in the upside move being significantly greater than the previous move higher in Jan. We believed that downside support levels could hold if tested in the near-term, meaning resistance levels were vulnerable. In theory, the nearest fractal resistance on the daily chart was at USD 2,605.5, only above this level is the technical considered as bullish, as this is the high of the last dominant bear wave. However, the move lower lasted 12 days, the current upside move is 19 days, suggesting market sellers should now be cautious, as there are too many warning signs outside of the wave cycle that resistance could come under pressure. The futures traded to a high of USD 2,560.5 before entering a small corrective phase into the close, we remain above all key moving averages with the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,528 with the RSI at or above 70 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 2,436 will support a near-term bull argument, below this level the USD 2,372 fractal low will start to look vulnerable.
- Technically we are bearish with a neutral bias; however, as previously noted, the break in key resistance, the time factor on the upside move, alongside the RSI making new highs, would suggest that downside moves now have the potential to be countertrend.

Nickel Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	17,970	RSI above 50	
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (57)
- Stochastic is above 50
- Price is on the daily pivot point USD 17,988
- Technically bullish on Friday, the futures were in divergence with price approaching our upside target level, implying they were not considered as technical buy at these levels. However, the time expansion on the move higher meant we had seen a higher timeframe Elliott wave extension, meaning downside moves would be considered as countertrend. The futures traded to a high of USD 18,165 before seeing a small pullback. We remain above all key moving averages with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 17,988 with the RSI at or below 55 will mean price and momentum are aligned to the sell side; likewise, a close above this level with the RSI at or above 59.5 will mean it is aligned to the buyside. Downside moves that hold at or below USD 16,874 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish with downside moves considered as countertrend. We have revised Fibonacci support levels lower due to the Elliott wave extension, meaning key support is now at USD 16,874; if broken, then the probability of the futures trading to a new high will start to decrease. As previously noted, we remain cautious on upside moves at these levels due to the negative divergence in play.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,098	R1	2,110.5	RSI above 50	
S2	2,085	R2			
S3	2,067	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 2,111.5
- The break in fractal resistance and the USD 2,116 level on Friday warned that resistance levels remained vulnerable. The MA on the RSI was implying momentum support, whilst the RSI had made a new high, suggesting downside moves should be considered as countertrend. In theory, we were bearish with a neutral bias; in reality, price action was bullish, meaning that technical suggested that we could continue to move higher. The futures have entered a small corrective phase but remain above all key moving averages with the RSI above 50, intraday price and momentum are now conflicting.
- A close on the 4-hour candle above USD 2,111.5 with the RSI at or above 64 will mean price and momentum are aligned to the buy side. Likewise, a close below this level will mean it is aligned to the sell side. Downside moves that hold at or above USD 2,067 will support a near-term bull argument, below this level the USD 2,031 fractal support will start to look vulnerable.
- Unchanged on the technical, we remain bearish with a neutral bias; however, the recent high in the RSI continues to suggest that downside moves should be considered as countertrend in the near-term, making USD 2,067 the key support to follow. If broken, then the probability of the futures trading to a new high will start to decrease.

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