



# Base Morning Technical Report

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## Nickel

Nickel rose to the highest level in more than four months as concerns about lower ore supply from Indonesia and possible Chinese buying underpinned this year's best rally among base metals.

Price gains have gathered pace over the past month as a slow pace of government approvals for miners in Indonesia risks crimping near-term production. At the same time, investors are monitoring a possible revival in Chinese purchases following a prolonged period of destocking last year. (Bloomberg).

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,651	R1	8,691	RSI above 50	Stochastic overbought
S2	8,595	R2			
S3	8,563	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (61)
- Price is above the daily pivot point USD 8,651
- Stochastic is overbought
- Technically bullish yesterday, the futures are holding above the weekly pivot level with lower timeframe Elliott wave analysis suggesting that we still had the potential for one more test to the upside, making USD 8,689 – USD 8,724 the two key resistance levels to follow. However, the futures were already in divergence, a move above USD 8,689 would create a second divergence; not a sell signal it warned that we had the potential to see a momentum slowdown, suggesting caution on upside breakouts. We were cautious bull at these levels, as upside moves have the potential to be limited. The futures traded to a high of USD 8,700 before seeing a small pullback into the close; however, we are seeing light bid support on the open. Price is above all key moving averages with the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 8,651 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 8,520 will support a bull argument, below this level the technical will have a neutral bias.
- Unchanged on the technical today, we have seen the move higher meaning the futures are in divergence with the RSI. Not a sell signal it is a warning that we could see a momentum slowdown, from a technical perspective, we remain a cautious bull. Intraday Elliott wave analysis continues to suggest that we have a potential upside target at USD 8,724.

# Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,258	R1	2,268	RSI above 50	Stochastic overbought
S2	2,233	R2	2,278		
S3	2,222	R3	2,296		

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (56)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,258
- Technically bearish with a neutral bias yesterday, the futures continue to hold/close above the weekly pivot level. However, the 4-hour technical and the lower timeframe wave cycle were both 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. We remained cautious on upside moves at these levels, if we did trade to a new high, it would indicate there is some form of wave extension that is not apparent on the lower timeframe at this point. As noted yesterday, downside moves that hold at or above USD 2,206 will warn that there is potentially a larger bullish Elliott wave cycle in play. The futures have traded to a new high, above the USD 2,268 level, meaning the intraday technical is now bullish. We are 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 2,258 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 2,206 will support a longer-term bull argument, below this level the probability of there being a larger bull cycle in play will decrease. Note: below USD 2,231.5 the intraday technical will be bearish.
- Technically bullish, we have seen a very minor wave extension to the upside on the lower timeframe; however, the futures remain in divergence with the RSI, warning we could see a momentum slowdown. For this reason, we maintain a cautious view on upside moves at these levels.

# Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,559	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 (63)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,555
- Technically bearish with a neutral bias yesterday; However, price action remained bullish. Lower timeframe Elliott wave analysis suggested that we had the potential to trade as high as USD 2,618 within this phase of the cycle; if we did, then the intraday technical would be bullish. We are now in divergence with the RSI, not a sell signal, it warned that we could see a momentum slowdown which needed to be monitored. A move below USD 2,502 would suggest that this phase of the cycle has completed (lower timeframe); however, we maintain our view that downside moves look like they will be countertrend. Key support is now at USD 2,438, below this level the probability of the futures trading to a new high will start to decrease. The futures traded to a new high before selling lower into the close, we are seeing bid support this morning. Price is above all key moving averages with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,555 with the RSI at or above 68 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 2,446 will support a near-term bull argument, below this level the USD 2,372 fractal low will start to look vulnerable.
- We remain bearish with a neutral bias; price action continues to be bullish. We maintain our view based on lower timeframe Elliott wave analysis that we have a potential upside target for this phase of the cycle at USD 2,618. The cycle is also suggesting that downside moves look like they will be countertrend. However, the futures are currently in divergence with the RSI, warning that we have the potential to see a momentum slowdown. For this reason, we remain cautious on upside moves at these levels.

# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	18,391	R1	18,495	RSI above 50	Stochastic overbought
S2	17,671	R2			
S3	17,392	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (63)
- Stochastic is overbought
- Price is above the daily pivot point USD 18,391
- Unchanged on the technical yesterday, the futures were moving higher but in divergence, implying caution on upside moves at these levels. However, the longer-term wave cycle was bullish, suggesting downside moves looked like they could be countertrend. Key support is at USD 16,981, below this level the probability of the futures trading to a new high would start to decrease. Having sold lower on the open yesterday, the futures found bid support for the remainder of the session, resulting in the futures trading to a new high. 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 18,391 with the RSI at or below 59.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or below USD 17,014 will support a bull argument, below this level the technical will have a neutral bias.
- Unchanged again today, we continue to move higher with the futures in divergence, meaning we remain cautious on upside moves. Intraday Elliott wave analysis continues to suggest that downside moves should be considered as countertrend at this point.

# Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,137	R1	2,176	RSI above 50	Stochastic overbought
S2	2,108	R2	2,188		
S3	2,093	R3	2,202		

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (66)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,137
- Technically bearish with a neutral bias yesterday, price action was bullish based on the RSI making a new high on the 08/03, alongside the timescale of the recent upside move. The futures were in divergence warning we are vulnerable to a momentum slowdown, suggesting caution on upside moves at these levels. However, we noted that if the technical footprint had changed as it was warning, then downside moves looked like they could be countertrend, making USD 2,070 the key support to follow. If broken, then the probability of the futures trading to a new high would start to decrease. We continue to move higher but remain in divergence with the RSI. 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 2,137 with the RSI at or below 60 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,074 will support a near-term bull argument, below this level the USD 2,031 fractal support will start to look vulnerable.
- The longer-term trend is bearish with a neutral bias, the probability of the futures trading to a new low are decreasing, price action is bullish. As noted previously, it looks like the technical footprint has changed to the buyside, implying downside moves look like they should be countertrend. We remain in divergence with the RSI on the 4-hour and lower timeframes, meaning we remain cautious on upside moves at these levels.