



Base Morning Technical Report

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Cu

Copper extended its retreat from an 11-month high as the base metal's rally faded, with investors shifting their focus back to the muted demand recovery in biggest consumer China.

Prices of copper on Monday hit the highest intraday level since April due to supply risks at mines and smelters, while the global economic outlook generally improved as the US Federal Reserve appeared to be moving closer to easing monetary policy. By the end of the week, demand optimism had faded amid signs that an expected recovery in China during its peak construction season is missing expectations, with inventories spiking and premiums for spot cargoes falling.

Seasonal demand in China is generally lagging as high prices slow new orders for copper products, First Futures Co. said in a note. (Bloomberg)

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,795	R1	8,878	Stochastic oversold	RSI below 50
S2	8,677	R2			
S3	8,584	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA support band (Black EMA's)
- The RSI below 50 (47)
- Stochastic is oversold
- Price is below the daily pivot point USD 8,991
- Technically bullish yesterday, the futures were potentially entering a bullish Elliott wave 5 for this phase of the cycle. If we traded above USD 9,164.5, wave analysis suggested that we had a potential upside target at USD 9,342. We had held above the weekly pivot level with price and momentum looking like it could become aligned to the buy side. However, we need confirmation of this, although the RSI is above its MA, the average was warning that momentum remains weak. We did not get confirmation that price and momentum were aligned to the buy side as the RSI close above the RSI was less than two points, resulting in the futures moving lower. Price is in the EMA support band with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 8,991 with the RSI at or above 57.5 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 8,677 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, The MA on the RSI is continuing to warn of momentum weakness with price trading below the USD 8886.5 fractal low, meaning we are not in a bullish impulse wave 5, we remain in a corrective wave 4. We are trading below the weekly pivot (USD 8,909), a close on the daily candle below this level will warn that Fibonacci support could come under pressure. If we do trade below USD 8,677 it will warn that the probability of the futures trading to a new high has started to decrease. Elliott wave analysis continues to suggest that the downside move looks like it could be countertrend.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,278	R1	2,284.5	RSI above 50	Stochastic overbought
S2	2,268	R2			
S3	2,261	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (53)
- Stochastic is overbought
- Price is below the daily pivot point USD 2,302
- Technically bullish yesterday, our intraday Elliott wave analysis suggested that we had a potential upside target at USD 2,321 for this phase of the cycle. The MA on the RSI implied that momentum was supported, whilst the RSI was making new highs. If we did trade below the USD 2,266, then the probability of the futures trading to a new high would start to decrease. One point of note, the futures were not in divergence at this point, suggesting there could be further upside within this phase of cycle, meaning that the USD 2,321 resistance could be broken. We traded to a high of USD 2,313.5 before moving lower on the Asian open. 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 4-hour candle above USD 2,302 with the RSI at or above 60.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,268 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish with price now moving lower, the MA on the RSI is starting to flatten, implying buyside momentum is slowing. The RSI high is warning that we still have the potential for one more test to the upside; however, if we do trade below the USD 2,268 level, then the probability of the futures trading to a new high will start to decrease. Downside moves that hold at or above USD 2,223 will support a longer-term bull argument, warning that there is potentially a larger bull cycle in play.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,479	R1	2,540		RSI below 50
S2	2,445	R2	2,555		
S3	2,418	R3	2,592		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (44)
- Stochastic is below 50
- Price is above the daily pivot point USD 2,540
- Technically bullish yesterday, the MA on the RSI implied sell side momentum had slowed down whilst price is testing key resistance, if broken, then the probability of the futures testing and breaking the USD 25.92 fractal high would start to increase. We looked like we could be in the early stages of a bullish impulse Elliott wave 5, if this was the case, then we had the potential to trade as high as USD 2,679 within this phase of the cycle. The futures did break the USD 2,555 resistance but the move has failed to hold. Price is back below the EMA support band with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,540 with the RSI at or above 50.5 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 2,445 will support a bull argument, below this level the technical will have a neutral bias. Likewise, upside moves that fail at or below USD 2,555 will leave the futures vulnerable to further tests to the downside, above this level the USD 2,592 fractal high will start to look vulnerable. Note: although the USD 2,555 resistance was broken, the depth of the downside move means that it is back in play.
- Technically bullish with our intraday Elliott wave analysis suggesting downside moves look to be counter-trend. We got caught out on this one yesterday, as price and momentum were aligned to the buy side with the USD 2,555 resistance being broken, suggesting we move higher. However, we remain in a corrective phase with the RSI back below its MA, the average is warning of light momentum support at this point, implying caution on the move lower in the near-term. Although the USD 2,555 level is back in play, the futures will need to trade above the USD 2,571.5 fractal resistance to support a bull move higher.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	17,019	R1	17,340		RSI below 50	
S2	16,719	R2				17,754
S3	16,210	R3				17,912

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (38)
- Stochastic is below 50
- Price is above the daily pivot point USD 17,565
- Technically bearish yesterday, the MA on the RSI had started to flatten, warning sell side momentum was in the process of slowing down. However, the RSI had made new lows with price below the weekly pivot level (USD 18,123), suggesting caution on upside moves at this point, as they had the potential to be countertrend. The futures have seen a small move lower with price remaining below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side, as the RSI was more than two points below its average on the previous candles close.
- A close on the 4-hour candle above USD 17,565 with the RSI at or above 42 will mean price and momentum are aligned to the buy side. Downside moves that hold at or below USD 17,019 will warn that there could be a larger bull cycle in play, below this level the USD 16,205 fractal support will start to look vulnerable. Likewise, upside moves that fail at or below USD 18,126 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 lower in the Asian day session means that the futures are now in divergence with the RSI, warning we have the potential to see a momentum slowdown. We have a 5-wave pattern lower with price in divergence, indicating we are on a corrective Elliott wave A, suggesting upside moves look like they could be countertrend, making USD 18,126 the key resistance to follow, if broken then the probability of the futures trading to a new low will start to decrease. We are now cautious on downside moves at these levels due to the divergence.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,045	R1	2,052.5	Stochastic oversold	RSI below 50
S2	2,031	R2			
S3	2,008	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (37)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,062
- Technically bearish yesterday, the 4-hour futures were not in divergence; however, the 1-hour was, meaning we remained cautious on downside moves. We maintained our view that upside moves looked like they could be countertrend, based on the RSI making a new low on the 20/03. The futures have seen a small move lower with price remaining 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 2,062 with the RSI at or above 42.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,130 will leave the futures vulnerable to further tests to the downside.
- Technically bearish, the MA on the RSI is starting to flatten whilst the 1-hour RSI remains in divergence, meaning we remain cautious view on downside moves at these levels. Due to the RSI making a new low on the 20/03 we maintain our view that upside moves look like they could be countertrend at this point.