



Base Morning Technical Report

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China

China kicked off new anti-graft inspections of some of its largest state lenders, the central bank and key regulators, the first broad probe since a round in 2021 that sent shock-waves through the industry.

The Ministry of Finance, the National Financial Regulatory Administration and the China Securities Regulatory Commission will be targets in the on-site checks by the nation's anti-corruption authorities, broadcaster China Central Television reported late Tuesday.

China's biggest state-owned lenders, led by Industrial & Commercial Bank of China Ltd., as well as the main bourses in Shanghai and Shenzhen will also be inspected, according to the report. Central government inspection teams have been stationed in 17 out of the total of 34 entities involved, CCTV said. The inspections, which also include non-financial entities, will last for three months.

Similar anti-graft checks on 25 major financial organizations in 2021 heralded sweeping arrests and penalties across the industry. At least 130 financial officials and executives were investigated or punished in 2023 alone, according to Bloomberg calculations based on official announcements.

The central bank and the securities regulator announced the start of inspections in separate statements. Wu Qing, chairman of the CSRC, pledged to rectify issues and strive to achieve high-quality development in capital markets, according to a Tuesday release. Pan Gongsheng, governor of the People's Bank of China, also vowed prompt rectification of issues found in the coming inspection. (Bloomberg)

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,420	R1	9,459	RSI above 50	
S2	9,350	R2			
S3	9,294	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (52)
- Stochastic is below 50
- Price is below the daily pivot point USD 9,496
- Unchanged on the technical yesterday. We remained bullish with price holding above the weekly pivot level (USD 9,404), we noted that if we closed on the 4-hour candle above USD 9,541 the USD 9,640.5 fractal high could be tested and broken. However, as highlighted previously, a new high would create a negative divergence with the RSI. Not a sell signal, it would warn that we could see a momentum slowdown, implying caution on upside breakouts. The futures have sold lower due to the existing divergence in play, 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 9,496 with the RSI at or above 59.5 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 9,350 will support a bull argument, below this level the technical will have a neutral bias.
- Unchanged again today, the futures did sell lower on the back of the original divergence. The MA on the RSI is implying that momentum is weak, warning support levels remain vulnerable. We remain cautious on upside moves due to the potential for further divergences; however, we now need to see the futures close below and hold below the weekly pivot on the daily candle (USD 9,404). If we do, it will suggest that sell side pressure is increasing.

Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,555	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 (60)
- Stochastic is oversold
- Price is above the daily pivot point USD 2,548
- Technically bullish yesterday, the futures remained in a corrective phase having rejected the RSI resistance previously. The minor divergence warned that we had the potential for further downside within this corrective phase. However, the initial RSI pullback between the 04-11 of April did not result in the RSI moving below 50, warning that the downside move was possibly countertrend, making USD 2,429 the key support to follow. If broken, then the probability of the futures trading to a new low would start to decrease. The futures are consolidating above the EMA support band with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,548 with the RSI at or above 65 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 2,429 will support a bull argument, below this level the technical will have a neutral bias.
- The futures have found light bid support having seen a small test to the downside yesterday. We maintain our view that the current corrective move lower is potentially countertrend, making USD 2,429 the key support to follow. If broken, then 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	2,748	R1	2,775	RSI above 50	
S2	2,728	R2			
S3	2,677	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (56)
- Stochastic is oversold
- Price is above the daily pivot point USD 2,748
- Technically bullish on the last report, we maintained our view based on Elliott wave analysis that downside moves looked like they will be countertrend, making USD 2,606 the key support to follow. If broken, then the probability of the futures trading to a new high would start to decrease. If we closed on the daily candle below the weekly pivot level (USD 2,744), it would warn that sell side pressure was increasing. Momentum was conflicting, as the MA on the RSI is warning of weakness, but the RSI is above 50 whilst the stochastic is oversold. If the RSI holds above 50, momentum is warning we could move higher; however, below 50 the stochastic becomes less relevant. The futures traded to a low of USD 2,707; however, we moved higher into the close, resulting in price closing back above the weekly pivot level. We are 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 2,748 with the RSI at or above 59.5 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. Upside moves that fail at or below USD 2,832 will warn that there is possibly further downside to come within the corrective phase, above this level the USD 2,897 fractal high will become vulnerable. Likewise, downside moves that hold at or above USD 2,606 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the futures are moving higher having rejected the EMA support band, we maintain our view that downside moves look to be countertrend. Momentum continues to conflict, as the MA on the RSI is warning of weakness, but the RSI is above 50 whilst the stochastic is oversold. If the RSI holds above 50, momentum is warning we could move higher; however, below 50 the stochastic becomes less relevant.

Nickel Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	17,970	Stochastic oversold	
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (51)
- Stochastic is oversold
- Price is above the daily pivot point USD 17,831
- Technically bullish but with a neutral bias yesterday, the MA on the RSI warned that momentum was weak, we noted that we had closed below the weekly pivot level (USD 18,005), implying sell side pressure was increasing. The USD 17,493 support was vulnerable, if broken, the probability of there being a larger, bullish Elliott wave cycle in play would start to decrease. We traded to a low of USD 17,595, before moving higher, meaning we have held key support at this point. We are above the EMA support band with the RSI near-neutral at 51, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 17,831 with the RSI at or above 54 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 17,493 will warn that there is potentially a larger bullish Elliott wave cycle in play. Likewise, upside moves that fail at or below USD 18,756 will leave the futures vulnerable to further tests to the downside, above this level the USD 19,355 fractal resistance will be vulnerable.
- Technically bullish with a neutral bias, below USD 17,555 the intraday technical is bearish based on price. The MA on the RSI is now flat, implying sell side momentum is slowing, the RSI is above 50 whilst the stochastic is oversold. If the RSI holds above 50, and price and momentum become aligned to the buy side, we could see the USD 18,267 resistance come under pressure. However, failure to trade above/hold above the weekly pivot level (USD 18,005), will warn that support levels remain vulnerable.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,129	R1	2,145	Stochastic oversold	RSI below 50
S2	2,116	R2			
S3	2,094	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA support band (Black EMA's)
- RSI is below 50 (49)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,159
- Unchanged on the technical yesterday, we remained bullish but in divergence with the RSI, we maintained a cautious view on upside moves. The futures sold lower meaning we are in the EMA support band with the RSI near-neutral at 49, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,159 with the RSI at or above 57.5 will mean price and momentum are aligned to the buyside. Downside moves that held at or above USD 2,129 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish but in a corrective phase due to the divergence in play, we maintain a cautious view on upside moves, implying support levels are vulnerable. Below USD 2,129 the probability of the futures trading to a new high within this phase of the cycle will start to decrease. However, corrective moves lower that hold at or above USD 2,064 will warn that there is potentially a larger, bullish Elliott wave cycle in play. The futures closed below the weekly pivot level yesterday (USD 2,152), if we hold below it, then the USD 2,129 support could be tested and broken. If we close back above USD 2,152 on the daily candle, we have a note of caution as it will warn that buyside pressure is increasing.