



Base Morning Technical Report

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Metals

Iron ore fell for a third day after a jump in a key gauge of US labor costs on Tuesday renewed concerns about higher-for-longer interest rates and triggered risk-off sentiment.

The steelmaking material fell as much as 1.4% in early trading in Asia, where most markets were closed for a public holiday. The hot US print reinforced bets that officials will keep rates at a two-decade high for some time, a view that could be reinforced later Wednesday when the Federal Reserve will announce its latest monetary policy decision.

This week's price decline has taken some of the shine off iron ore, which finished April with its biggest monthly gain since late 2022. It was bolstered by signs China's moribund economy was finally gaining some momentum and that Beijing was prepared to take steps to ease a years-long crisis for its metals-intensive property sector.

Iron ore fell 0.9% to \$115.45 a ton at 11:25 a.m. in Singapore. Yuan-priced futures in Dalian were little changed, while steel contracts in Shanghai dipped.

Almost all base metals on the London Metal Exchange declined, with copper falling 0.7% and aluminum slipping 0.3%. Tin was little changed. (Bloomberg)

Copper Morning Technical (4-hour)



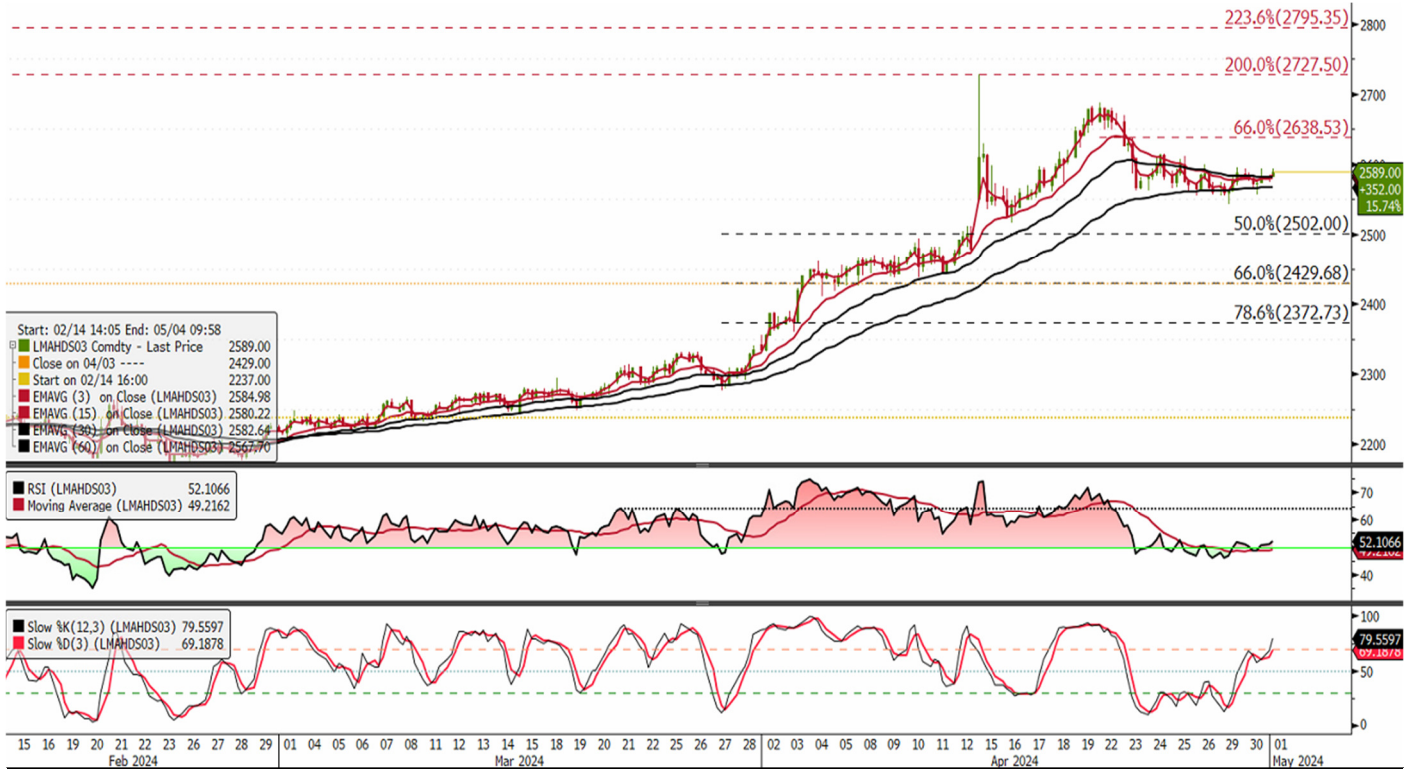
	Support	Resistance	Current Price	Bull	Bear
S1	9,875	R1	10,047	RSI above 50	
S2	9,856	R2	10,098		
S3	9,660	R3	10,208		

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA support band (Black EMA's)
- The RSI above 50 (52)
- Stochastic is oversold
- Price is below the daily pivot point USD 10,047
- Technically bullish yesterday, we maintained a near-term upside target at USD 10,369 for this phase of the cycle. However, the move higher had resulted in the higher timeframe wave 3 extended, implying downside moves should be considered as countertrend. The MA on the RSI indicated that momentum remained supported with price above both the daily and weekly pivot levels (USD 10,086 – USD 9,875). The RSI was still in divergence, which needed to be monitored.
- The futures have sold lower on the back of the divergence with the RSI with price now trading in the EMA support band, the RSI is above 50 with price and momentum aligned to the sell side.
- A close on the 4-hour candle above USD 10,047 with the RSI at or above 64.5 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 9,856 will support a bull argument, below this level the technical will have a neutral bias. Likewise, upside moves that fail at or below USD 10,998 will warn that the futures are vulnerable to further downside moves.
- Technically bullish but in a corrective phase, the pullback is not yet deep enough (based on higher timeframe oscillators) to confirm that we have entered a higher timeframe Elliott wave 4. Momentum is conflicting, as the MA on the RSI is warning of weakness; however, the RSI is above 50 whilst the stochastic is oversold, implying we could move higher in the near-term. If the RSI goes below 50, then the stochastic will be considered as less relevant. A close on the daily candle below USD 9,875 will imply that sell side pressure is increasing, whilst a move below USD 9,856 will imply that the probability of the futures trading to a new high within this phase of the cycle has started to decrease (this will be an early warning that we are potentially in a wave 4; however, we will need confirmation from the oscillators). Although momentum is conflicting, the RSI has broken support, which suggests that resistance levels could hold if tested. There are warning signs that we could be entering a higher timeframe corrective phase, but we await confirmation. If it is, then USD 9,626 will be the key support to follow.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,580	R1	2,604	RSI above 50	
S2	2,502	R2	2,638		
S3	2,429	R3	2,728		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (52)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,580
- Unchanged on the technical yesterday. We remained bullish with downside moves struggling to hold due to the 1-hour divergence in play, implying caution on moves lower. A close on the daily chart above the weekly pivot level (USD 2,604) would indicate that buy-side pressure is increasing, warning the USD 2,638 resistance could be tested and broken.
- The futures remain in consolidation; however, we are now trading above the EMA support band. The RSI above 50 with intraday price and momentum aligned to the buy-side.
- A close on the 4-hour candle below USD 2,580 with the RSI at or below 47 will mean price and momentum are 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. Likewise, upside moves that fail at or below USD 2,638 will leave the futures vulnerable to further tests to the downside, above this level, the USD 2,688 fractal resistance could be tested.
- Technically bullish, the futures remain supported with the MA on the RSI acting as a support (to the RSI). If we close on the daily candle above USD 2,604, it will imply buy-side pressure is increasing, warning that the USD 2,638 resistance could come under pressure. If rejected, it will suggest that the corrective phase could become a more complex one; likewise, if resistance is broken, we target the USD 2,688 and USD 2,728 fractal resistance levels. Based on our Elliott wave analysis, we maintain our view that downside moves look like they could be countertrend at this point.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,846	R1	2,910	RSI above 50	
S2	2,835	R2	2,974		
S3	2,812	R3	3,008		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (54)
- Stochastic is below 50
- Price is below the daily pivot point USD 2,910
- Technically bullish yesterday, our intraday Elliott wave analysis continued to suggest that we had a potential upside target at USD 3,008 for this phase of the cycle. We remained in a longer-term divergence with the RSI, warning we could see a momentum slowdown (marked on chart); however, the upside move previously resulted in the RSI breaking near-term resistance (marked on chart as the lower line), this suggested that downside moves looked like they would be countertrend in the near-term. We still looked to be on an Elliott wave 5 of a higher time frame wave 3, but with copper extended its wave cycle yesterday, we were mindful that this cycle could also extend if it remained elevated for a protracted period.
- The futures sold lower on the news that Trafigura were to restart the idled Nyrstar plant. 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 2,910 with the RSI at or below 60.5 will mean price and momentum are aligned to the buyside.
- Technically bullish, we now have a neutral bias. The RSI high on the 3/04 suggested that downside moves had the potential to be countertrend in the near-term. However, the pullback on the Nyrstar news yesterday means we have broken 2,867 support, warning that the probability of the futures trading to a new high has started to decrease, meaning we could be entering a higher timeframe Elliott wave 4. We did hold above the weekly pivot level, so there is a chance it is just near-term reaction, but it does now suggest caution on upside moves at this point.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	19,204	R1	19,115	RSI above 50	
S2	19,195	R2			
S3	18,685	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (53)
- Stochastic is below 50
- Price is below the daily pivot point USD 19,206
- Technically bullish with downside moves considered as countertrend yesterday. The futures closed below the weekly pivot point previously (19,195), but the close was marginal. The MA on the RSI implied that momentum was neutral; however, price was holding above the EMA support band. If we closed above the USD 19,195 level it would warn us that buy-side pressure was increasing.
- The futures are moving sideways above the EMA support band, the RSI is above 50 but price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 19,206 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 18,336 will support a bull argument, below this level the technical will have a neutral bias.
- Unchanged on the technical, we are trading around and closing around the weekly pivot level without any form of definitive move above/below it. The MA on the RSI is implying that momentum is weakening; however, based on our intraday Elliott wave analysis, downside moves loom like they could be countertrend at this point.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	2,205	R1	2,214	
S2	2,198	R2	2,236	
S3	2,193	R3	2,259	

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA support band (Black EMA's)
- RSI is at 50 (50)
- Stochastic is below 50
- Price is below the daily pivot point USD 2,214
- Unchanged on the technical yesterday, we remained bullish with the potential to trade as high as USD 2,259 with in this phase of the cycle. We continued to have a note of caution on moves higher due to the divergence in play at this point.
- The futures sold lower on the divergence with price now between the EMA support 29 band with the RSI neutral at 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,214 with the RSI at or above 58 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 2,176 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI is starting to move lower alongside price, indicating momentum weakness. A close on the daily candle below the weekly pivot level (USD 2,198) will imply that sell side pressure is increasing. We maintain a cautious view on upside moves at this point.

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