



# Base Morning Technical Report

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Cu

Copper fell with other base metals as the dollar strengthened following hawkish comments from a Federal Reserve official that cooled expectations for US interest rate cuts.

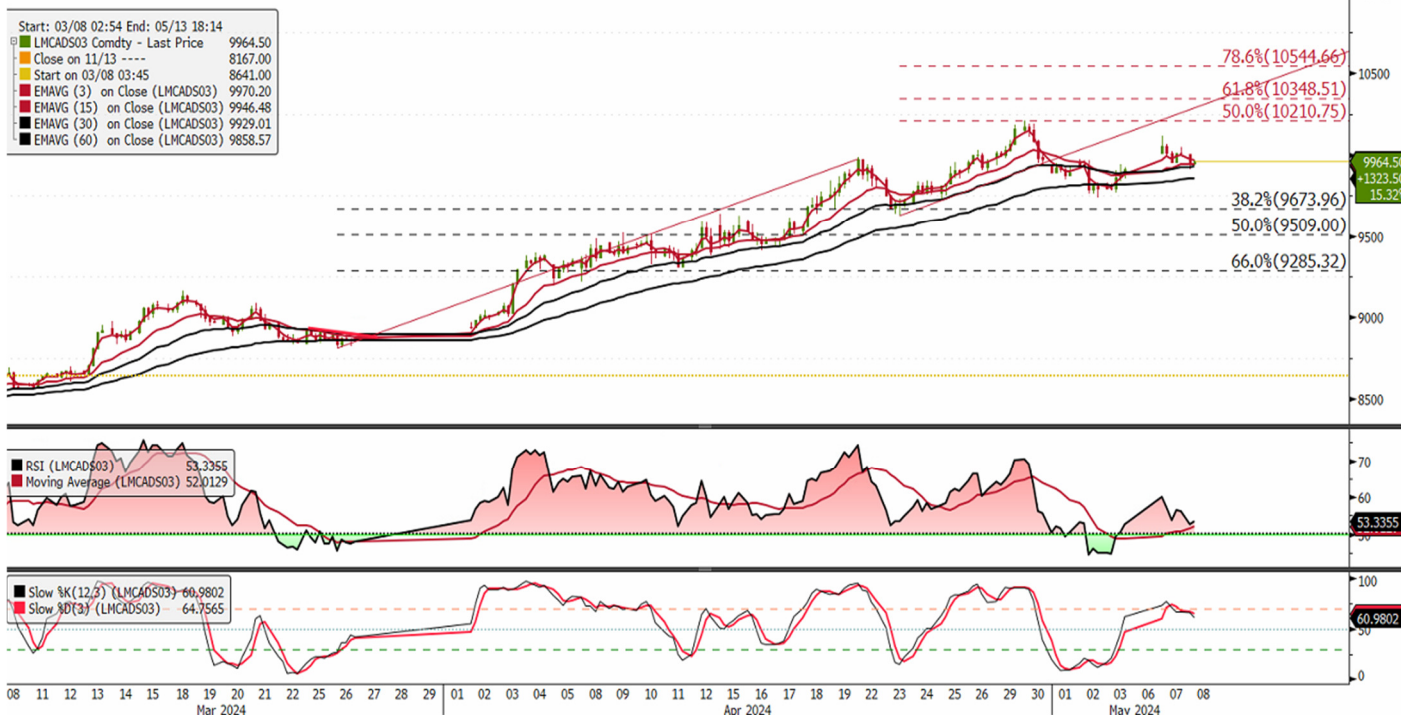
The Fed's Bank of Minneapolis President Neel Kashkari said interest rates are likely to be kept where they are "for an extended period of time". The dollar rose, while other risk assets softened.

Copper had surged past \$10,000 a ton on Tuesday amid a bout of talk that the US central bank would start cutting rates this year. The metal has rallied 16% in 2024 on fears of wider deficits, with mine supply struggling to keep up with growing demand from new-energy sectors.

High copper prices are also still dragging on purchasing activity in China, posing risks to the recent rally, Jinrui Futures Co. said in a note. Chinese copper smelters are exporting some metal this month because of weak domestic demand.

Copper dropped 0.8% to \$9,946 a ton on the London Metal Exchange as of 11:21 a.m. in Shanghai, while nickel fell 2.1% and zinc dropped 1.2%. (Bloomberg)

# Copper Morning Technical (4-hour)



|    | Support | Resistance | Current Price | Bull         | Bear |
|----|---------|------------|---------------|--------------|------|
| S1 | 9,673   | R1         | 9,964.5       | RSI above 50 |      |
| S2 | 9,509   | R2         |               |              |      |
| S3 | 9,285   | R3         |               |              |      |

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (53)
- Stochastic is above 50
- Price is below the daily pivot point USD 10,026
- The upside move above USD 10,048 yesterday meant that the futures were back in bullish territory. The pull-back previously had not confirmed that we had entered the higher timeframe wave 4, meaning downside moves were still to be considered as countertrend. Upside moves above USD 10,208 would indicate we are seeing a wave extension within the existing bull wave, meaning we had the potential to trade as high as USD 10,339 (revised to 10,348) within this phase of the cycle. However, above USD 10,208 the RSI would be divergent with price; not a sell signal it did warn that we had the potential to see a momentum slowdown, which needed to be monitored. This would suggest caution on upside breakouts, as the move could struggle to hold.
- Having traded to a high of USD 10,118 on the open the futures closed near flat on the day, resulting in a Doji star, implying indecision in the market. We have sold lower this morning with price testing the EMA support band, the RSI remains above 50 with intraday price and momentum now conflicting.
- A close on the 4-hour candle below USD 10,026 with the RSI at or below 50 will mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is aligned to the buy side. Downside moves that hold at or below USD 9,285 will support a longer-term bull argument, below this level the Elliott wave cycle will have a neutral bias.
- Technically bullish, the MA on the RSI continues to warn that momentum is supported; however, the RSI is testing the average, if broken price and momentum will be aligned to the sell side, it will warn that support levels could be tested. Conversely, if we hold the RSI and close above the daily pivot point, we could see another test to the upside. As highlighted yesterday, above USD 10,208 will create a negative divergence with the RSI, suggesting caution on upside moves at this point. We maintain our view based on Elliott wave analysis that downside moves should still be considered as countertrend at this point, implying the USD 9,739 fractal support remains vulnerable.

# Aluminium Morning Technical (4-hour)



|    | Support | Resistance | Current Price | Bull | Bear         |
|----|---------|------------|---------------|------|--------------|
| S1 | 2,510   | R1         | 2,569         |      | RSI below 50 |
| S2 | 2,440   | R2         | 2,608         |      |              |
| S3 | 2,386   | R3         | 2,631         |      |              |

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (46)
- Stochastic is above 50
- Price is below the daily pivot point USD 2,569
- Technically bullish yesterday, the MA on the RSI was turning higher, implying we were seeing early signs of momentum support. A close on the daily candle above the weekly pivot level (USD 2,608) would imply that buy-side pressure is increasing, whilst a move above USD 2,631 would warn that the probability of the futures trading below the USD 2,522 fractal support will start to decrease. However, if we rejected the USD 2,631 resistance, it would indicate that the corrective phase has the potential to be more complex. Key support was unchanged at USD 2,429, below this level the probability of the futures trading to new highs will start to decrease. We were moving higher but needed to see more upside for the USD 2,688 – USD 2,728 resistance levels to look vulnerable.
- The futures failed to hold the early gains with price closing slightly lower on the day. We are below the EMA support band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 2,569 with the RSI at or below 44 will mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is aligned to the buy-side. Downside moves that hold at or above USD 2,440 will support a bull argument, below this level the technical will have a neutral bias. Likewise, upside moves that fail at or below USD 2,631 will leave the futures vulnerable to further tests to the downside, above this level, the USD 2,688 fractal resistance could be tested.
- Technically we remain bullish but in a corrective phase. The MA on the RSI continues to warn that we have light momentum support; however, the RSI is now testing the average, if we start to close below it and price and momentum become aligned to the sell side, we will be vulnerable to an intraday move lower. We remain below the weekly pivot level (USD 2,608), a close above it will imply that buy-side pressure is increasing, meaning the USD 2,631 resistance could come under pressure. Intraday Elliott wave analysis continues to suggest that downside moves look like they could be countertrend, but the EMA band is now flat and compressed, indicating we lack directional bias at this point. This also suggests that the longer-term EMA's are unlikely to be respected. Key support has been revised to USD 2,440.

# Zinc Morning Technical (4-hour)



|    | Support | Resistance | Current Price | Bull         | Bear |
|----|---------|------------|---------------|--------------|------|
| S1 | 2,904   | R1         | 2,943         | RSI above 50 |      |
| S2 | 2,892   | R2         | 2,974         |              |      |
| S3 | 2,866   | R3         | 3,008         |              |      |

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (53)
- Stochastic is above 50
- Price is below the daily pivot point USD 2,943
- We remain bullish with a neutral bias yesterday due to support levels being broken last week. In theory, our Elliott wave analysis suggests that we should trade above the USD 2,974 fractal resistance. However, the pullback last week did suggest caution on moves higher. If we did trade above the USD 2,974 level, then we have a potential upside target of USD 3,008. A new high would create a negative divergence with the RSI, implying caution on upside breakouts, as warned we could see a momentum slowdown. We were trading above the Weekly pivot point (USD 2,904), a close on the daily candle above this level would indicate that buy-side pressure was increasing. Failure to close above it will warn of technical weakness. A cautious bull.
- The futures traded to a new high (USD 2,975) before entering a corrective phase. Price is 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 2,943 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 2,831 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the new high yesterday created a negative divergence with the RSI, warning we are vulnerable to a momentum slowdown. Countering this, we closed above the weekly pivot level (USD 2,904) with our intraday Elliott wave analysis suggesting we have the potential to trade as high as USD 3,008 within this phase of the cycle. If we close back below the weekly pivot level, it will suggest caution, as buy-side pressure will be seen to be increasing. We remain a cautious bull, due to the divergence in play the futures are no longer considered a technical buy at these levels.

# Nickel Morning Technical (4-hour)



| Support | Resistance | Current Price | Bull         | Bear |
|---------|------------|---------------|--------------|------|
| S1      | 18,336     | 18,785        | RSI below 50 |      |
| S2      | 18,061     |               |              |      |
| S3      | 17,595     |               |              |      |
|         | R1         | 19,050        |              |      |
|         | R2         | 19,186        |              |      |
|         | R3         | 19,775        |              |      |

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (45)
- Stochastic is below 50
- Price is below the daily pivot point USD 19,186
- Technically bullish yesterday, the futures had traded above fractal resistance; however, the move failed to hold, resulting in price selling lower.
- We are 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 19,186 with the RSI at or above 53 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.
- Technically we remain bullish but in a corrective phase, the MA on the RSI is implying momentum is supported; however, the RSI is now below its average with price trading below the weekly pivot level (USD 19,050), a close on the daily chart below this level will warn that sell side pressure is increasing. Intraday Elliott wave analysis continues to suggest that downside moves should be considered as countertrend, making USD 18,336 the key support to follow. If broken, then the probability of the futures trading to a new high will start to decrease.

# Lead Morning Technical (4-hour)



|    | Support | Resistance | Current Price | Bull         | Bear                  |
|----|---------|------------|---------------|--------------|-----------------------|
| S1 | 2,222   | R1         | 2,237.5       | RSI above 50 | Stochastic overbought |
| S2 | 2,199   | R2         |               |              |                       |
| S3 | 2,171   | R3         |               |              |                       |

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (55)
- Stochastic is overbought
- Price is below the daily pivot point USD 2,207
- Technically bullish yesterday, the futures had tested but failed to break the USD 2,245 fractal high on the open, above this level price would be in divergence with the RSI. Not a sell signal, it warned that we could see a momentum slowdown which needed to be monitored. The MA on the RSI implied that momentum was supported, if we traded to a new high, then we had a potential upside target at USD 2,259 for this phase of the cycle. We maintained a cautious view on upside moves above USD 2,245, due to the divergence in play.
- The futures traded to a high of USD 2,254 before entering a corrective phase. We are above the EMA support band with the RSI above 50, intraday price and momentum are now conflicting.
- A close on the 4-hour candle below USD 2,207 with the RSI at or below 53.5 will mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is aligned to the buyside. Downside moves that hold at or above USD 2,199 will warn support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the futures are moving lower on a negative divergence with the RSI. The MA on the RSI is implying that momentum is supported; however, the RSI is testing the average, if broken, support levels could come under further pressure. Due to the divergence the futures are not considered a technical buy at this point, as support levels look vulnerable.

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