



Base Morning Technical Report

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Copper rose for a second day as industrial metals got support from stronger expectations for US rate cuts this year and more signs that China's property crisis is subsiding.

The latest US manufacturing data underscored lingering concerns about the world's biggest economy, but also triggered fresh bets on the Federal Reserve lowering borrowing costs this year. Meanwhile, China Vanke Co., one of the biggest Chinese property developers, saw a drop in sales moderate in May.

Base metals have surged in 2024 on hopes for lower US interest rates and signs that China's economy may finally be emerging from its post-pandemic slump. Manufacturing activity in the country expanded at the fastest pace in almost two years in May, according to private survey focused on smaller, export-oriented firms. (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	10,132	R1	10,163.5	Stochastic oversold	RSI below 50
S2	10,051	R2			
S3	9,819	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- The RSI below 50 (43)
- Stochastic is overbought
- Price is above the daily pivot point USD 10,132
- Bearish based on price yesterday with key support for the longer-term Elliott wave cycle at USD 9,567. The MA on the RSI warned of momentum weakness whilst the futures were below the weekly pivot level (USD 10,221). However, price was starting to find support around the USD 10,051 level, whilst we had the potential to create a positive divergence below USD 10,020, implying caution on downside breakouts. If we closed on the daily candle above USD 10,221 it would warn that the USD 10,405 resistance could be tested and broken; if it was, then the probability of the futures trading to a new low will start to decrease.
- The futures failed to produce a downside breakout yesterday with the USD 10,051 support holding, resulting in a small move higher. We remain below the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 10,132 with the RSI at or below 38 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 9,567 will support a longer-term bullish Elliott wave cycle. Upside moves that fail at or below USD 10,405 will leave the futures vulnerable to further tests to the downside.
- Technically we remain bearish based on price, the MA on the RSI is now warning that we have light momentum support. However, the futures traded above but are in the process of rejecting the weekly pivot level (USD 10,221), meaning we remain vulnerable to further tests to the downside in the near-term. A close on the daily chart above this level will indicate that buyside pressure is increasing, warning the USD 10,405 resistance could be tested and broken, if it is, then the probability of the futures trading to a new low will start to decrease. We remain cautious on downside moves due to the potential divergence below USD 10,020. There are conflicts on this technical, lower timeframe wave analysis is warning we move higher, supported by price and momentum being aligned to the buyside. We now need to hold the daily pivot and close above the weekly to support confirm that we have buyside support.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,663	R1	2,676.5		RSI below 50
S2	2,631	R2			
S3	2,621	R3			

Source Bloomberg

Synopsis - Intraday

- Price is between the EMA Support band (Black EMA's)
- RSI is below 50 (49)
- Stochastic is below 50
- Price is above the daily pivot point USD 2,663
- Technically bullish with a neutral bias due to the depth of the pullback yesterday, the probability of the futures trading to a new high had started to decrease. The MA on the RSI warned that momentum was weak, implying support levels could come under pressure. However, we had market profile support between USD 2,588 – USD 2,550 (highlighted in the red box), we also had three support zones (highlighted in black circles) just above the market profile that suggest downside moves could struggle to hold in the near-term. We were a cautious bear as we were approaching support.
- Due to the support highlighted yesterday the futures have seen a small move higher. We are now in the EMA support band with the RSI near-neutral at 49, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,663 with the RSI at or above 51.5 will mean price and momentum are aligned to the buy side; likewise, a close below this level with the RSI at or below 47 will mean it is aligned to the sell side. Upside moves that fail at or below USD 2,703 will leave the futures vulnerable to further tests to the downside, above this level the USD 2,737 fractal resistance will start to look vulnerable.
- We remain bullish with a neutral bias, the MA on the RSI is now flat, indicating sell side pressure is decreasing. A close on the 4-hour candle above the high of the last dominant bear candle (USD 2,690) will warn that buy side pressure is increasing, leaving the USD 2,703 resistance vulnerable. If broken, we target the USD 2,737 fractal resistance. Like yesterday, we are cautious on moves below USD 2,637.5 as it will put price into the support areas highlighted on the chart.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,957	R1	3,019	Stochastic oversold	RSI below 50
S2	2,935	R2	3,027		
S3	2,903	R3	3,044		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (41)
- Stochastic is oversold
- Price is above the daily pivot point USD 2,957
- Technically bearish based on price yesterday, the intraday Elliott wave cycle was still in bullish territory. However, we had broken a support zone (red box) and trend support, implying that the technical condition was starting to weaken. We have the weekly 200-period MA at USD 2,946, a close below that held below this level on the daily candle would warn that the USD 2,903 level could be tested and broken. Conversely, if we held above this level, it would support a near-term bull argument, making USD 3,078 the key resistance to follow. The RSI was making new lows, whilst the MA on the RSI is implying momentum is weak. The lower timeframe Elliott wave cycle looks like it may have completed, implying we were potentially in a higher timeframe corrective (countertrend) wave 4. The weekly MA suggested we could see the futures supported in the near-term; however, it looked like we had entered a larger corrective phase, indicating there should in theory be further downside within this phase of the cycle. Key longer-term Elliott wave support is at USD 2,672, the cycle was bullish above this level and neutral below. Cautious on downside moves today as the weekly MA was in play.
- The futures did trade lower but the close below the longer-term average was marginal (USD 3.00). the futures have opened with light bid support, meaning price is above the average. We are below the EMA resistance band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,957 with the RSI at or above 44 will mean price and momentum are aligned to the buy side; likewise, a close below this level with the RSI at or below 39.5 will mean it is aligned to the sell side. Downside moves that hold at or above USD 2,903 will support a bull argument, below this level the technical will have a neutral bias. Upside moves that fail at or below USD 3,078 will leave the futures vulnerable to further tests to the downside.
- We remain bearish based on price with the intraday Elliott wave cycle is still in bullish territory. Lower timeframe Elliott wave analysis is warning that the USD 2,935 support remains vulnerable; however, like yesterday, we need to see the futures close below and hold below the weekly 200-period MA (2,946) to signal downside continuation, failure to do so will warn that there is higher timeframe support in the market. In theory we should see another test to the downside, the weekly MA and the daily support band are in play, warning a move lower could struggle to hold if we see a downside breakout.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	19,211	R1	19,470	Stochastic oversold	RSI below 50	
S2	18,855	R2				20,006
S3	18,520	R3				20,205

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 19,540
- Technically bullish but with a neutral bias yesterday, the probability of the futures trading to a new high within this phase of the cycle had started to decrease, due to the depth of the pullback, making USD 20,993 the key resistance to follow. If broken, the technical would be back in bullish territory. The MA on the RSI warned that momentum remained weak; however, the futures had held the USD 19,211 Fibonacci support (USD 19,200 is the most heavily traded area in the last 30 days based on market profile) with price showing a minor divergence, meaning we are cautious on downside moves in the near-term.
- The futures traded to a low of USD 19,250 but held the market profile support (USD 19,200). Price is unchanged from yesterday with the futures below the EMA resistance band whilst the RSI is below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 19,540 with the RSI at or above 42 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 18,308 will support a longer-term bullish Elliott wave cycle, below this level the cycle will have a neutral bias. Upside moves that fail at or below USD 20,900 will leave the futures vulnerable to further tests to the downside.
- Bearish with a neutral bias, the MA on the RSI is starting to flatten, implying sell side momentum is slowing down. The probability of the futures trading to a new high has started to decrease; However, we have Fibonacci and market profile support between USD 19,211 – USD 19,200 and the 200-period MA is also at USD 19,211. This would suggest caution on downside moves whilst above the support area, as we remain vulnerable to an intraday move higher in the near-term.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,279.5		RSI below 50
S2	R2			
S3	R3			

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (45)
- Stochastic is above 50
- Price is below the daily pivot point USD 2,286
- Technically bullish but in a corrective phase yesterday. The MA on the RSI warned that momentum was weak; however, the RSI was above its average, implying it could be in the process of transitioning. Having traded to a low of USD 2,253 the futures have found support on a bullish rejection candle and positive divergence, warning we could see a test to the upside in the near-term. We are being countered by a bearish rejection candle, meaning we will need to see a close on the 4-hour candle above USD 2,313 to signal upside continuation. Price action is neutral, but we are cautious on downside moves at this point due to the divergence.
- We traded to a high of USD 2,300 before selling back below the daily pivot point this morning. We remain 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 2,286 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 2,233 will support a bull argument, below this level the technical will have a neutral bias. Upside moves that fail at or below USD 2,321 will leave the futures vulnerable to further tests to the downside.
- Unchanged on the Technical from yesterday. We remain bullish but in a corrective phase with price action still neutral, as we remain between the bullish/bearish rejection candles (highlighted in box USD 2,313 – USD 2,253). Like yesterday we maintain a cautious view on downside moves due to the positive divergence in play.

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