



Base Morning Technical Report

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Iron ore

Iron Ore Drops Following Second Weekly Loss in Thin Trading (Bloomberg)

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,766	R1	9,772	Stochastic oversold	RSI below 50
S2	9,654	R2			
S3	9,567	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- The RSI below 50 (35)
- Stochastic is oversold
- Price is below the daily pivot point USD 9,894
- Technically bearish on Friday, the move above the USD 10,109 resistance meant that we had a neutral bias, the probability of the futures trading to a new low had started to decrease. Momentum was conflicting, as the MA on the RSI suggested that it was supported; however, the RSI was below 50 whilst the stochastic overbought. If the RSI held below 50, then the futures were vulnerable to a test to the downside, above 50 the stochastic was considered as less relevant. We had a small rejection candle in the EMA resistance band, warning that we could see an intraday move lower, making USD 9,970 the key support to follow. If we traded above USD 10,186 (the high of the rejection candle), it suggested that the USD 10,238 fractal resistance could be tested and broken, above this level the intraday technical would be bullish. If we closed above this level, price would be above the high of the last dominant bear candle on the daily chart, further supporting a bullish argument. Note, the daily chart had opened above the trend resistance line (USD 10,080), market bulls would want to see price hold and close above this level. Based on intraday Elliott wave analysis, we remained cautious on downside moves.
- The futures continued to reject the EMA resistance band with price failing to hold above the trend resistance line, resulting in the USD 9,970 and the USD 9,860 support levels being broken. The RSI is below 50 with price and momentum aligned to the sell side.
- A close on the 4-hour candle above USD 9,894 with the RSI at or above 44 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 10,041 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Likewise, downside moves that hold at or above USD 9,567 will support a longer-term bull argument, if broken, then the higher timeframe Elliott wave cycle will have a neutral bias.
- Technically bearish, the futures have sold to new lows, the MA on the RSI is flat, implying momentum is neutral; however, the RSI is holding support, meaning we have a minor positive divergence in play. Not a buy signal, it is a warning that we could see a momentum slowdown which will need to be monitored. We are now trading on a daily trend support line (USD 9,766); if we close below and hold below the support, it will warn that we could be looking at an Elliott wave extension to the downside, indicating the USD 9,567 support could come under pressure. If support holds, then market sellers should act with caution, as it will imply that market bulls are defending the support line. A cautious bear today due to the trend support line and intraday divergence.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,549	R1	2,556	Stochastic oversold	RSI below 50
S2	2,529	R2			
S3	2,505	R3			

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA Resistance band (Black EMA's)
- RSI is below 50 (32)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,600
- Unchanged on the technical on Friday, we remained bullish with a neutral bias having found support off the lower timeframe divergence. We were still looking for confirmation that this was a higher timeframe corrective wave 4. If it was, then an upside moves had the potential to be a countertrend wave B, making USD 2,736 the key resistance to follow. If broken, then the probability of the futures trading to a new low would start to decrease (implying we could see upside wave extension within the existing trend). We remained cautious on downside breakouts below USD 2,615 because they could struggle to hold. However, the higher timeframe correction (wave 4) was still not confirmed, warning we could have one more test to the downside before entering the countertrend (upside) Elliott wave B.
- The futures did see one more test to the downside, confirming we have now entered a higher timeframe corrective Elliott wave 4. We are below the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,631 will leave the futures vulnerable to further tests to the downside, above this level it will warn that we could be entering the Elliott wave B.
- Technically bearish, the downside move has confirmed that we are in the higher timeframe Elliott wave 4, it is also implying that we are seeing a downside Elliott wave extension within the initial corrective wave A, meaning upside moves should be considered as against the near-term trend. The futures are testing the base of the support band, but the MA on the RSI is warning that momentum is weak at this point, implying Fibonacci resistance levels could hold if tested.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,758	R1	2,762.5	Stochastic oversold	RSI below 50
S2	2,675	R2			
S3	2,672	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (27)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,819
- Unchanged on the technical on the last report, we remained bearish in what looked to be a higher timeframe corrective Elliott wave 4, implying intraday upside moves looked like they would be countertrend. If we did trade above the USD 3,049 resistance, then it would warn that the downside corrective phase had completed.
- The futures continued to sell lower having rejected the EMA resistance band and the intraday 200-period MA. We are 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 2,819 with the RSI at or above 38 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,864 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the MA on the RSI is warning that momentum remains weak, whilst the RSI is making new lows. This would suggest that upside moves look like they will be countertrend, making USD 2,864 the key resistance to follow. If we do trade below the USD 2,672 level, it will warn that the higher timeframe Elliott wave cycle is neutral.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	17,731	R1	18,045	Stochastic oversold	RSI below 50
S2	17,435	R2			
S3	17,138	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (28)
- Stochastic is oversold
- Price is above the daily pivot point USD 18,286
- We remained bearish based on price on Friday with the depth of the pullback warning that the probability of the futures trading to a new high within this phase of the cycle had started to decrease. The Elliott wave cycle was bullish but with a neutral bias. We maintained our view based on lower timeframe Elliott wave analysis that upside moves look like they could be countertrend at this point.
- The futures have sold lower with price below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 18,286 with the RSI at or above 33.5 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 18,488 will leave the futures vulnerable to further tests to the downside.
- Technically bearish, the MA on the RSI is now flat, implying sell side momentum is slowing. The RSI is in divergence with price, not a buy signal, it is a warning that we could see a momentum slowdown. Upside moves above USD 18,690 will mean the intraday technical is bullish based on price, making USD 20,428 the key resistance to follow. If rejected, it will warn that there is a larger, bearish Elliott wave cycle in play.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,185	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (32)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,210
- Unchanged on the technical on Friday, the MA on the RSI was starting to flatten with the RSI above its average. The futures had rejected the resistance box for a second time; however, price was at the previous day's levels. As noted previously, in theory we should have one more test to the downside, but the strong engulfing pattern implied caution. Meaning we had a more neutral view due to the intraday price action conflicting.
- The futures did reject the resistance box resulting in the futures trading to new lows. We are 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 2,210 with the RSI at or above 41.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,232 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the RSI is testing support whilst the MA on the RSI is flat, implying sell side momentum is slowing down. The Elliott wave cycle is in divergence with the RSI on a lower timeframe (81 min candle), suggesting caution on downside moves at this point. If the divergence fails, it will imply that we are looking at a wave extension to the downside.

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