



Base Morning Technical Report

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Cu

Copper fell to the lowest level in more than two months — extending a slide from an all-time high — with prices facing sustained pressure from unusually weak Chinese demand.

The metal has shed 14% since rocketing to a record above \$11,000 a ton in May. Soft market conditions in top consumer China have handed copper's more bullish investors a reality check, and prices have continued to decline even amid tentative signs of a demand recovery. (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,486	R1	9,540.5	Stochastic oversold	RSI below 50
S2	9,362	R2			
S3	9,238	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- The RSI below 50 (37)
- Stochastic is oversold
- Price is below the daily pivot point USD 9,598
- We noted yesterday that the move below USD 9,667 on the 21/06 meant that the futures were back in bearish territory, despite the breach in the USD 9,856 resistance on the 20/06. The MA on the RSI implied that momentum was weak; however, the RSI was testing the MA resistance, warning price and momentum could become aligned to the buyside. A close on the daily candle above the weekly pivot resistance (USD 9,707) would imply that buyside pressure is increasing. We remained cautious on downside breakouts below USD 9,551, as the futures would be in divergence with the RSI, warning we had the potential to see a momentum slowdown.
- The RSI rejected its average, resulting in the futures trading to a new low, 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 9,598 with the RSI at or above 44.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 9,761 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the move below USD 9,567 means that the longer-term Elliott wave cycle now has a neutral bias. The MA on the RSI is indicating that momentum remains weak; however, the futures are now in divergence with the RSI, not a buy signal, it is a warning that we could see a momentum slowdown which will need to be monitored. A cautious bear whilst the divergence is in play.

Aluminium Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	2,470	R1	2,500	2,483	Stochastic oversold	RSI below 50
S2	2,451	R2	2,516			
S3	2,418	R3	2,537.5			

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA Resistance band (Black EMA's)
- RSI is below 50 (41)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,500
- The futures remained bearish yesterday with price action continuing to consolidate, meaning it was neutral. The MA on the RSI was flat whilst price was testing the base of the EMA resistance band. We maintained a cautious view on downside breakouts below USD 2,470, as this would create further positive divergences with the RSI. A close on the daily candle above the weekly pivot level (USD 2,506), would imply that buyside pressure is increasing.
- The futures have seen a small move lower, we are below the EMA resistance 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 2,500 with the RSI at or above 47 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,549 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the futures are rolling over to the sell side, warning that the USD 2,470 fractal low could come under pressure. The MA on the RSI remains flat, implying that momentum is still neutral at this point; however, below USD 2,470 the futures will be in divergence with the RSI. Not a buy signal, it is a warning that we could see a momentum slowdown, implying caution on downside breakouts.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,834	R1	2,849		
S2	2,758	R2			
S3	2,737.5	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is at 50 (50)
- Stochastic is above 50
- Price is below the daily pivot point USD 2,861
- Technically bearish yesterday, price action was neutral with the futures remaining in the consolidation zone. Upside moves above USD 2,930 will mean the intraday technical was bullish based on price, suggesting the corrective phase had the potential to become more complex. Likewise, a move below USD 2,737.5 would create a positive divergence with the RSI, warning the downside move had the potential to exhaust. We maintain our view that support levels were vulnerable whilst below USD 2,930.
- The futures continue to consolidate between the EMA resistance band. The RSI is neutral at 50 with price and momentum aligned to the buyside, as the previous candle closed above the daily pivot level.
- A close on the 4-hour candle below USD 2,861 with the RSI at or below 48.5 will mean price and momentum are aligned to the sell side. Upside moves that trade above USD 2,930 will mean the intraday technical is bullish based on price.
- Unchanged on the technical today. **Technically bearish, price action is neutral with the futures remaining in the consolidation zone. Upside moves above USD 2,930 will mean the intraday technical is bullish based on price, suggesting the corrective phase has the potential to become more complex. Likewise, a move below USD 2,737.5 will create a positive divergence with the RSI, warning the downside move has the potential to exhaust. We maintain our view that support levels are vulnerable whilst below USD 2,930. (copied)**

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	17,138	R1	17,270		RSI below 50
S2	16,717	R2			
S3	16,180	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (46)
- Stochastic is below 50
- Price is above the daily pivot point USD 17,225
- Technically bearish with downside moves failing to hold yesterday due to the divergence in play. The MA on the RSI was flat suggesting momentum was turning neutral; however, the average was acting as a support to the RSI. The technical was unchanged, we remained cautious on downside moves due to the divergence that was in play; however, our intraday Elliott wave analysis suggested that upside moves still looked like they should be considered as countertrend.
- The futures had another small test to the downside before finding light bid support on the Asian open. We remain below the EMA resistance band with the RSI below 50, intraday price and momentum are conflicting as the previous candle closed below the daily pivot.
- A close on the 4-hour candle below USD 17,225 with the RSI at or below 38.5 will mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is aligned to the buy side. Upside moves that fail at or below USD 19,466 will leave the futures vulnerable to further tests to the downside.
- Technically bearish with upside moves looking like they will be countertrend based on our intraday Elliott wave analysis. However, due to the divergence in play, the futures are not considered a technical sell at these levels. The MA on the RSI continues to suggest that momentum is supported, whilst a daily close above the weekly pivot level (USD 17,356) will imply that buy side pressure is increasing.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,199.5	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (52)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,195
- Technically bearish yesterday, the MA on the RSI implied that we had light momentum weakness, whilst our intraday Elliott wave analysis indicated that support levels remained vulnerable. If we did see a close above the high of the last dominant bear candle (USD 2,192.5), then we could see resistance levels come back under pressure.
- We were caught out a little bit on this one yesterday, as the futures have found bid support, resulting in a close above the last dominant bear candle. Price is above the EMA resistance band with the RSI above 50, intraday price and momentum are aligned to buyside.
- A close on the 4-hour candle below USD 2,195 with the RSI at or below 47 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,242 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Note: the USD 2,242 resistance is back in play due to the move below the USD 2,167 support.
- The technical is bearish, near-term price action is bullish. In theory we should have one more test to the downside. One concern highlighted on the chart is the amount of time we have been seeing support (circled), compared to previous pullbacks. This is warning that we could be seeing a sentiment change to the buyside, for this reason, I am now neutral, as the technical is becoming less clear.

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