



Base Morning Technical Report

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Cu

Copper inched lower, while other metals dropped, as traders await Federal Reserve Chair Jerome Powell's testimony to Congress.

Copper in London fell 0.1% to \$9,902.50 a ton as of 11:02 a.m. in Shanghai after losing 0.3% on Monday. Nickel declined 0.8%, while zinc was down 0.2%. Iron ore in Singapore dropped 1.1% to \$107.30 a ton for a third consecutive decline.

Sizable cuts in refined copper output in China, the world's top supplier, are yet to happen as smelters largely stick to annual production plans despite a global concentrate shortage. Production rose 9.5% year-on-year to 1.005 million tons last month, beating an earlier estimate, according to a Shanghai Metals Market survey of smelters.

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,918	R1	10,000	RSI above 50	
S2	9,820	R2	10,053		
S3	9,765	R3	10,114		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (58)
- Stochastic is at 50
- Price is above the daily pivot point USD 9,918
- Technically bullish yesterday, the RSI had moved above its resistance level; however, the lower timeframe RSI (1-hour) remained in divergence. Not a sell signal, it warned that we could see a momentum slowdown, implying caution on upside moves. Intraday Elliott wave analysis continued to suggest that downside moves should be considered as counter-trend, making USD 9,689 the key support to follow. If broken, then the probability of the futures trading to a new high would start to decrease. A cautious bull, as there looks to be further downside within this corrective phase.
- The futures traded to a low of USD 9,857 before testing but failing to break the USD 10,000 fractal resistance. Price is above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the sell side, as the previous candle closed below the daily pivot level.
- A close on the 4-hour candle above USD 9,918 with the RSI at or above 64 will mean price and momentum are aligned to the buy-side. Downside moves that hold at or above USD 9,689 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI is implying that we have light momentum weakness. The futures have produced a tweezers top (double top, USD 10,000) having rejected the 200-period MA (USD 10,003) for a second time. Technically, we now look to be on the 5th and final wave of this phase of the cycle. We have traded up to, but not above the fractal resistance; in theory, the minimum requirement for phase/cycle completion has been met. Above the fractal resistance the future will be in divergence, suggesting caution on upside breakouts above USD 10,000.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,501	R1	2,530	Stochastic oversold	
S2	2,470	R2			
S3	2,451	R3			

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is at 50 (50)
- Stochastic is oversold
- Price is on the daily pivot point USD 2,530
- Technically unchanged yesterday, we remained bearish, the MA on the RSI indicated that momentum had started to soften a little, making USD 2,501 the key support to follow, if broken, then the futures would be back in bearish territory. As noted previously, the lower timeframe Elliott wave cycle was not clear; however, it did suggest that the downside cycle had potentially completed, implying caution on corrective moves lower.
- The futures continue to consolidate around the EMA band, which is flat, implying we lack directional bias. The RSI is neutral at 50 with intraday price and momentum aligned to the sell side.
- A close on the 4-hour candle above USD 2,530 with the RSI at or above 53.5 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 2,501 will support a near-term bull argument, below this level the technical will be back in bearish territory.
- Unchanged again today, we remain bearish with the MA on the RSI implying we have light momentum weakness, making USD 2,501 the key support to follow. Below this level the futures will be back in bearish territory; however, as highlighted previously, the intraday Elliott wave cycle is unclear, but does suggest that the downside cycle may have completed. For this reason, we remain cautious on downside moves at this point.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,943	R1	2,964	Stochastic oversold	RSI below 50
S2	2,913	R2	3,022		
S3	2,879	R3	3,032		

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA support band (Black EMA's)
- RSI is below 50 (48)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,964
- Technically bullish yesterday, the MA on the RSI was starting to flatten whilst we had a negative divergence in play. Not a sell signal it warned that buy-side momentum could slow down, implying caution on upside moves at these levels. If we did trade above the USD 3,032 resistance, then the probability of the futures trading to a new low would start to decrease. We maintained a cautious view on upside moves at these levels whilst the divergence was in play.
- The futures have entered a corrective phase on the back of the negative divergence with the RSI. We are between 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 2,964 with the RSI at or above 58 will mean price and momentum are aligned to the buy-side. Upside moves that fail at or below USD 3,032 will warn that there could be a larger, bearish Elliott wave cycle in play. Likewise, downside moves that hold at or above USD 2,834 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI is indicating momentum is weakening having sold lower on the negative divergence with the RSI. However, we are currently testing and holding above the 200-period MA (USD 2,943). A close below that holds below this level will further support a seller's argument, warning that the USD 2,834 support could come under pressure. If broken, market sellers will target the USD 2,737.5 fractal low on the basis that there appears to be a larger, bearish Elliott wave cycle in play. Likewise, if we hold above the average, resistance levels will remain vulnerable. With price rejecting key resistance whilst in divergence, we maintain a cautious view on upside moves at this point.

Nickel Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	17,400	RSI above 50	
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is above 50 (51)
- Stochastic is above 50
- Price is below the daily pivot point USD 17,403
- Unchanged again yesterday, the technical was bearish with intraday Elliott wave analysis suggesting upside moves should be considered as countertrend at this point.
- The futures continue to consolidate within the EMA resistance band. The RSI is near-neutral at 51 whilst intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 17,403 with the RSI at or above 53.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 19,420 will leave the futures vulnerable to further tests to the downside.
- Unchanged again, the technical is bearish with intraday Elliott wave analysis suggesting upside moves should be considered as countertrend at this point. The EMA's are flat with price consolidating, implying a lack of directional bias. Price action is neutral, below USD 16,965 the futures will be in divergence with the RSI. Not a buy signal, it is a warning that we could see a momentum slowdown below USD 16,965, implying caution on downside breakouts.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,235	RSI above 50	
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (53)
- Stochastic is overbought
- Price is below the daily pivot point USD 2,240
- Technically bearish with a neutral bias yesterday, the probability of the futures trading to a new low had started to decrease. The MA on the RSI was flat, implying momentum was neutral, whilst price was moving lower on the back of the negative divergence with the RSI, making USD 2,189 the key support to follow. The technical continues to conflict, the move above USD 2,242 warned that buyside pressure was increasing; however, we were moving lower on the divergence whilst price and momentum are aligned to the sell side. Neutral.
- The futures found bid support during the day session with price trading to a high of USD 2,259; however, the upside move failed to hold due to the negative divergence in play. Having sold lower on the open this morning, we are now seeing light bid support, meaning price is 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 2,240 with the RSI at or above 59 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 2,191 will support a near-term bull argument, below this level the USD 2,156.5 fractal support will start to look vulnerable.
- Technically bearish, the MA on the RSI is flat, implying momentum is neutral. The upside move to a new high yesterday created a second negative divergence with the RSI, not a sell signal it is a warning that buyside momentum could slow, implying caution on upside breakouts above USD 2,259. The technical continues to conflict, the move above USD 2,242 warns that buyside pressure is increasing; however, we have seen another move lower on a divergence, whilst price and momentum are again aligned to the sell side. The conflict means that the technical is neutral, due to the futures failing to hold the upside move on the negative divergence, we are now cautious on upside breakouts.

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