FIS Base Morning Technical Report

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Copper steadied after rising earlier on signs the US is getting close to interest-rate cuts and a report some Chinese smelters would reduce output.

Futures traded near \$9,700 a ton on the London Metal Exchange after losing more than 2% over the previous two sessions. Expectations for a pivot to easing from the Federal Reserve have strengthened in recent sessions, aiding equities.

On supply side, two Chinese smelters have laid out plans to reduce production next year after processing margins were squeezed by tightening mine output. The shift highlights risks to supplies from the top metal producer.

Copper has traded in a narrow range in recent weeks after pulling back from a record in May that was driven by expectations for increased consumption from the energy transition. There's been concern about the strength of demand in China, with growth slowing in the three months to June to the slowest pace in five quarters. (Bloomberg).

Copper Morning Technical (4-hour)



Sup	oport	Resis	tance	Current Price	Bull	Bear			
S1	9,630	R1	9,698						
S2	9,568	R2	9,738	9,675	RSI below 50	Stochastic oversold			
S3	9,530	R3	9,772						

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- The RSI below 50 (40)
- Stochastic is oversold
- Price is below the daily pivot point USD 9,698
- The technical was bearish having broken fractal support on the previous report, the MA on the RSI implied that momentum was weak. A 5-wave pattern lower suggested that we were looking at a bearish Elliott wave A, meaning upside moves should be considered as countertrend. If we did trade above the USD 9,911 resistance, it would warn that the probability of the futures trading to a new low had started to decrease. A move below USD 9,689 would further support a bear argument, making this the key support to follow.
- The futures traded to a high of USD 9,919.5, breaking our key resistance; however, the move failed to hold, resulting in price trading to a new low, confirming that the upside move had been a countertrend wave B. We are below the EMA resistance band with the RSI below 50, intraday price and momentum are conflicting, as the opening candle closed above the daily pivot level.
- A close on the 4-hour candle above USD 9,675 with the RSI at or above 48.5 will mean price and momentum are aligned to the buyside; likewise, a close below this level will mean that it is aligned to the sell side. Upside moves that fail at or below USD 9,819 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 at this point. Intraday Elliott wave analysis on a lower timeframe cycle is warning that upside moves should be considered as countertrend, implying we could have one move test to the downside. However, a new low will create a positive divergence with the RSI on the 30 -min chart, implying caution on downside breakouts. The lower timeframe wave cycle is implying that we have a potential to trade as low as USD 9,530 within this phase of the cycle. A cautious bear below the USD 9,626 fractal low.

Aluminium Morning Technical (4-hour)



Sup	port	Resis	tance	Current Price	Bull	Bear
S1	2,371	R1	2,427			
S2	2,312	R2	2,436	2,412.5	Stochastic oversold	RSI below 50
S3	2,290	R3	2,446			

Source Bloomberg

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Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (31)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,427
- Technically bearish on the previous report, the MA on the RSI indicated that we continued to have momentum weakness; however, the downside breakout meant that we were in divergence on the 1-hour chart, warning that we could see a momentum slowdown, suggesting caution. We noted that if we moved higher but reject the USD 2,525 resistance, it would warn of further downside within this technical, at that point the USD 2,418 support would start to become a legitimate downside target, as it implied that there was an Elliott wave extension on higher and lower timeframes.
- The futures failed to test the USD 2,525 resistance having already traded to a high of USD 2,508.5 resulting in the USD 2,418 support being tested and broken, confirming that we were seeing an Elliott wave extension. We are 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 2,427 with the RSI at or above 40 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,460 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 implying that momentum remains weak at this point. The Elliott wave extension to the downside would suggest that intraday upside moves should be considered as countertrend, making USD 2,460 the key resistance to follow. If we do trade above this level, then the probability of the futures trading to a new low will start to decrease.

Zinc Morning Technical (4-hour)



Su	pport	R	esistance	Current Price	Bull	Bear		
S1	2,879	R1	2,911					
S2	2,834	R2	2,972	2,881.5	Stochastic oversold	RSI below 50		
S3	2,798	R3	3,003					
Synopsis	Source Bloomberg							

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (38)
- Stochastic is oversold •
- Price is below the daily pivot point USD 2,911
- Technically bullish with a neutral bias last week, below USD 2,905 the intraday technical would be bearish based on price. However, key support remained unchanged on the Elliott wave cycle at USD 2,834, if broken, it would have longer-term bearish implications going forward. The MA on the RSI was still flat implying momentum was neutral. The technical was weakening having rejected the USD 3,032 resistance, but we needed to see further downside to convince that the move was bearish impulse.
- The futures continued to move lower with price breaking the USD 2,905 support, meaning we are bearish based on price. 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 2,911 with the RSI at or above 49 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 2,834 will support a bull argument, below this level the technical will imply that there is a larger, bearish Elliott wave cycle in play.
- Technically bearish, the MA on the RSI is implying that momentum is weak at this point. Having rejected the USD 3,032 resistance, the downside moves has resulted in the RSI making new lows, whilst the intraday Elliott wave cycle would suggest that intraday upside moves look like they could be countertrend. Key support remains unchanged at USD 2,834, below this level will imply that there could be a larger, bearish Elliott wave cycle in play.

Nickel Morning Technical (4-hour)



29	30	31	03	04	05	06	07	10	11	12	13	14	17	18	19	20	21	24	25	26	27	28	01	02	03	04	05	08	09	10
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9	Support	F	Resistance	Current Price	Bull	Bear							
S1	16,154	R1	16,718										
S2	15,707	R2	16,969	16,600	Stochastic oversold	RSI below 50							
S3	15,260	R3	17,253										
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Synopsis - Intraday

Source Bloomberg

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- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (36)
- Stochastic is oversold
- Price is below the daily pivot point USD 16,718
- Technically bearish last week, the MA on the RSI continued to warn that momentum was weak; however, due to the divergence in play, we remained cautious on downside moves, as they were not considered a 'technical' sell.
- The futures have seen a small move lower with price remaining in divergence with the RSI. 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 16,718 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 17,253 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 flat, implying momentum is neutral. We remain in divergence with the RSI, implying caution on downside moves at these levels. Intraday Elliott wave analysis continues to suggest that we have the potential to trade as low as USD 15,260 within this phase of the cycle; however, due to the divergence in play, we maintain our view that the futures are not considered a technical sell at this point.

Lead Morning Technical (4-hour)



Sup	port	Resis	stance	Current Price	Bull	Bear
S1	2,178	R1	2,191			
S2	2,156	R2	2,229	2,181	RSI below 50	
S3	2,143	R3	2,242			

Source Bloomberg

- Synopsis Intraday
- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (43)
- Stochastic is below 50
- Price is below the daily pivot point USD 2,184
- Technically bearish last week, the MA on the RSI was starting to flatten implying sell side momentum was slowing down, if the futures traded below the USD 2,171 low, then we had the potential to trade down to USD 2,150 in the near -term. However, a new low would create a lower timeframe divergence that would need to be monitored, this could also cause a divergence on the 4-hour technical. We were a cautious bear on Friday.
- Having moved sideways for the last couple of session the futures have traded below the USD 2,171 fractal support this morning; however, price is now in divergence with the RSI. We remain below the EMA resistance band with the RSI below 50, intraday price and momentum are conflicting, as the previous candle closed above the daily pivot level.
- A close on the 4-hour candle above USD 2,184 with the RSI at or above 49 will mean price and momentum are aligned to the buyside; likewise, a close below this level will mean it is aligned to the sell side. Upside moves that fail at or below USD 2,228 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Note: key longer-term resistance remains unchanged at USD 2,242.
- Technically bearish, the MA on the RSI is flat, implying momentum is neutral. The futures are now in divergence with the RSI, not a buy signal, it is a warning that we have the potential to see a momentum slowdown. For this reason, we are cautious on downside moves at this level.

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