



Base Morning Technical Report

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China

China will continue to promote economic growth and achieve a “more balanced” development, said Han Wenxiu, deputy director in charge of routine work of the Office of the Central Financial and Economic Affairs Commission, at a press conference.

China will implement macro policies “more effectively,” and promote proactive fiscal policies

Monetary policy should be flexible, appropriate, targeted and effective

Maintain reasonable and sufficient liquidity

China will make good use of ultra-long special sovereign bonds to strengthen constructions and projects in key areas (Bloomberg).

Cu

Copper headed for its worst weekly loss since 2022 and iron ore extended a slump toward \$100 a ton as a policy meeting in China failed to lay out more stimulus to shore up metals demand.

Futures for the red metal have fallen by almost 5% in London this week amid a broad retreat that’s also battered aluminum, tin and nickel. The complex was also dragged lower on Friday by a shift away from risk assets and a stronger US dollar. In Singapore, iron ore futures dropped below \$104 a ton (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,336	R1	9,391.5	RSI below 50	Stochastic oversold
S2	9,225	R2			
S3	9,156	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- The RSI below 50 (30)
- Stochastic is oversold
- Price is below the daily pivot point USD 9,468
- Technically bearish yesterday, the MA on the RSI indicated that momentum remained weak. Our intraday Elliott wave analysis suggested that we had the potential to trade as low as USD 9,556 within this phase of the cycle; however, we were in divergence with the RSI. Not a buy signal, it warned that we had the potential to see a momentum slowdown which would need to be monitored. We were a cautious bear at these levels due to the divergence in play.
- The futures sold aggressively lower, below our USD 9,556 target, resulting in the divergence failing. 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 9,468 with the RSI at or above 39 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 9,718 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the divergence failure yesterday is indicating that we are looking at an Elliott wave extension to downside. The MA on the RSI is implying that momentum is weak; however, the RSI is crossing back above the 30-level warning the RSI resistance could be tested. Due to the divergence failure, upside moves now look like they could be countertrend.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,371	R1	2,378	Stochastic oversold	RSI below 50
S2	2,312	R2			
S3	2,290	R3			

Source Bloomberg

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 2,398
- Technically bearish yesterday, the MA on the RSI warned that momentum remained weak; however, the RSI was testing the MA resistance. Intraday Elliott wave analysis suggested that upside moves should be considered as countertrend, making USD 2,457 the key resistance to follow. If broken, then the probability of the futures trading to a new low would start to decrease. The 1-hour RSI was in divergence, warning sell side momentum could slowdown, meaning we were cautious on downside moves at these levels.
- The futures have sold lower but remain in divergence with the RSI. Price is below all key moving averages with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,398 with the RSI at or above 35 will mean price and momentum are aligned to the buyside. Likewise, a close below this level with the RSI at or below 30.5 will mean it is aligned to the sell side. Upside moves that fail at or below USD 2,448 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the upside move on the open yesterday was not deep enough to be the pullback that we were looking for. Due to the divergence in play, we remain cautious on downside moves at these levels; however, our intraday Elliott wave analysis continues to suggest that intraday upside moves should be considered as countertrend.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,798	R1	2,805	Stochastic oversold	RSI below 50
S2	2,783	R2			
S3	2,737	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (33)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,818
- Technically bearish yesterday, the move below USD 2,834 warned that there was potentially a larger bearish Elliott wave cycle in play. The MA on the RSI implied that momentum remained weak; however, the futures were starting to see light bid support on the back of a positive divergence on the 1-hour RSI. Intraday Elliott wave analysis continues to suggest that upside moves should be considered as countertrend. Like Al, we had been cautious on downside moves at these levels due to the divergence that is in play.
- The upside move on the open failed to hold, resulting in the futures selling to new low. We remain 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 2,818 with the RSI at or above 38.5 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 2,910 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 indicating that momentum remains weak at this point, with the 1-hour divergence failing on the new low. However, the low candle is a Doji whilst the opening intraday candle today has downside rejection, implying we are seeing signs of support in the market, suggesting caution on moves lower at these levels. Our intraday Elliott wave analysis continues to suggest that upside moves should be considered as countertrend, making USD 2,910 the key resistance to follow. If broken, then the probability of the futures trading to a new low will start to decrease.

Nickel Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	16,380	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 16,466
- Unchanged on the technical yesterday. We remained bearish with intraday Elliott wave analysis suggesting we could trade as low as USD 15,260 within this phase of the cycle; however, we were in divergence with the RSI, meaning the futures were not considered a technical sell at these levels.
- We continue to see small moves lower with price remaining below the EMA resistance band. The RSI is below 50 with intraday price and momentum aligned to the sell side.
- A close on the 4-hour candle above USD 16,466 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 17,185 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish with intraday Elliott wave analysis continues to suggest that we could trade as low as USD 15,260 within this phase of the cycle. The futures remain 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. We remain cautious on downside moves due to the divergence in play, from a technical perspective the futures are not considered a sell at these levels.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	2,115	2,140	Stochastic oversold	RSI below 50
S2	2,077			
S3	2,028			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is at 50 (50)
- Stochastic is below 50
- Price is above the daily pivot point USD 2,170
- Technically bearish yesterday, the futures were finding bid support off the positive divergence highlighted previously. The MA on the RSI implied that we had light momentum support, if we closed on the current candle above USD 2,203.5 it would warn that the USD 2,228 resistance could come under pressure. If broken, then the probability of the futures trading to a new low will start to decrease; however, a rejection of this level would imply that there could be a larger, bearish, Elliott wave cycle in play.
- The futures traded to a high of USD 2,207 with the 4-hour candle closing above the USD 2,203.5 level; however, the move failed to hold resulting in the futures selling to a new low. 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 2,170 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 2,195 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, with the upside move failing to hold yesterday the USD 2,228 resistance had been rejected, implying that there is a larger, bearish Elliott wave cycle in play. Momentum oscillators have made new lows alongside price, suggesting upside moves should now be considered as countertrend.

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