



# Base Morning Technical Report

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## China

China's consumer prices rose more than expected in July, largely due to seasonal factors like weather, leaving intact concern over sluggish domestic demand and boosting the case for more policy support.

The consumer price index climbed 0.5% from a year earlier, exceeding the 0.3% estimate in a Bloomberg survey, data from the National Bureau of Statistics on Friday show. Excluding volatile food and energy costs, core CPI rose 0.4%, the least since January, indicating lingering weakness in overall demand. (Bloomberg).

## Cu

Copper rose for a second session along with other base metals after signs of resilience in the US labor market improved risk appetite.

The decline in US jobless claims helped to alleviate fears about a recession that had rippled through global markets. However, copper is still heading for a fifth weekly loss on concerns over tepid activity in China's manufacturing sector, and after a global rout in equities sparked a selloff earlier in the week (Bloomberg)

# Copper Morning Technical (4-hour)



|    | Support | Resistance | Current Price | Bull | Bear         |
|----|---------|------------|---------------|------|--------------|
| S1 | 8,782   | R1         | 8,913         |      | RSI below 50 |
| S2 | 8,714   | R2         |               |      |              |
| S3 | 8,642   | R3         |               |      |              |

## Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- The RSI below 50 (47)
- Stochastic is at 50
- Price is above the daily pivot point USD 8,782
- Technically bearish yesterday, the failure to trade to a new low meant that upside moves were still considered as counter-trend. Our intraday Elliott wave analysis suggested that we should trade below the USD 8,714 low. However, due to the divergence in play, we maintained a cautious view on downside breakouts, as they could follow to hold.
- The futures traded to a low of USD 8,714 before finding bid support yesterday, we continue to move higher this morning. Price is now trading in the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the buy-side.
- A close on the 4-hour candle below USD 8,782 with the RSI at or below 36.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 9,115 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the failure to trade to a new low means that in theory this upside move is considered as counter-trend (based on our Elliott wave analysis). The MA on the RSI is indicating that we have light momentum support, having moved higher on the positive divergence, making USD 9,115 the key resistance to follow. If we trade above this level, then the probability of the futures trading to a new low will start to decrease. We are entering the EMA resistance band with price testing the Fibonacci resistance zone, warning we could start find market sellers if we move much higher.

# Aluminium Morning Technical (4-hour)



| Support | Resistance | Current Price | Bull         | Bear |
|---------|------------|---------------|--------------|------|
| S1      | R1         | 2,302.5       | RSI above 50 |      |
| S2      | R2         |               |              |      |
| S3      | R3         |               |              |      |

Source Bloomberg

## Synopsis - Intraday

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (54)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,275
- Technically bearish yesterday, the MA on the RSI indicated that we had light momentum support. Intraday Elliott wave analysis continued to suggest that upside moves looked like they could be countertrend. However, price action was currently neutral, as we had intraday bullish and bearish rejection candles opposing each other. If we closed below the low of the bullish rejection candle (USD 2,247.5) it would warn that the USD 2,209.5 low could be tested and broken. Likewise, a close above the high of the bearish rejection candle (USD 2,295), it will imply that buy-side momentum was increasing, meaning we could see the Fibonacci resistance zone come under pressure.
- The futures found light bid support on the close yesterday, whilst the opening candle in the Asian day session closed at USD 2,299, meaning we are above the bearish rejection candle. Price is above the EMA resistance band with the RSI above 50, intraday price and momentum are aligned to the buy-side.
- A close on the 4-hour candle below USD 2,275 with the RSI at or below 47.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,394 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 we have light momentum support. The close above the bearish rejection candle is warning that the Fibonacci resistance zone could come under pressure. However, intraday Elliott wave analysis does suggest that upside moves look to be considered as countertrend, whilst the RSI is now approaching a resistance zone. Price action implies that we should move higher in the near-term, wave analysis indicates that the upside move could struggle to hold. However, if we do trade above the USD 2,394 level, then the probability of the futures trading to a new low will start to decrease.

# Zinc Morning Technical (4-hour)



| Support | Resistance | Current Price | Bull         | Bear                  |
|---------|------------|---------------|--------------|-----------------------|
| S1      | R1         | 2,694.5       | RSI above 50 | Stochastic overbought |
| S2      | R2         |               |              |                       |
| S3      | R3         |               |              |                       |

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (58)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,620
- Technically bearish yesterday, the MA on the RSI indicated that we had light momentum weakness. However, the futures had found light bid support on the open, the divergence meant that we were cautious on downside moves.
- The futures have moved higher due to the divergence in play. We are above the EMA resistance band with the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 2,620 with the RSI at or below 40.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,599 will support a near-term bull argument, below this level the technical will be back in bearish territory.
- Technically bearish with a neutral bias, the move above USD 2,664 means that the probability of the futures trading to a new low has started to decrease. The MA on the RSI is indicating that we have momentum support, whilst above USD 2,724 the intraday technical will be bullish. However, we are trading in a small resistance zone, warning the futures are now vulnerable to an intraday pullback, making USD 2,599 the key support to follow. If we hold above this level, it will warn that the USD 2,724 resistance could be tested and broken.



# Nickel Morning Technical (4-hour)



|    | Support | Resistance | Current Price | Bull         | Bear |
|----|---------|------------|---------------|--------------|------|
| S1 | 15,590  | R1         | 16,445        | RSI above 50 |      |
| S2 | 15,600  | R2         |               |              |      |
| S3 | 15,545  | R3         |               |              |      |

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (57)
- Stochastic is below 50
- Price is above the daily pivot point USD 16,168
- Technically bearish yesterday, the MA on the RSI continued to imply that momentum was neutral. Intraday Elliott wave analysis suggested that upside moves should be considered as countertrend; if we did trade above the USD 16,494 level, then the probability of the futures trading to a new low in the near-term would start to decrease, warning that the corrective move higher was likely to be more complex. The EMA band remained flat, indicating that we lacked directional bias.
- Sideways action yesterday, the futures have opened the Asian day session with buy-side support. We are above the EMA resistance band with the RSI above 50, intraday price and momentum are aligned to the buy-side.
- A close on the 4-hour candle below USD 16,168 with the RSI at or below 48 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 16,494 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. However, key longer-term resistance is at USD 16,920, the Elliott wave cycle is bearish below this level and neutral above.
- Technically bearish, the MA on the RSI is just starting to turn higher, implying we have light momentum support; however, the EMA band remains flat, suggesting we still lack directional bias. Price is testing the USD 16,494 resistance, if broken then the probability of the futures trading to a new low in the near-term will start to decrease; this will indicate that the corrective move higher is becoming more complex, making USD 16,920 the next key level to follow. If broken, it will bring into question the longer-term bearish Elliott wave cycle. The futures are now at an inflection point, focus should be on the USD 16,494 resistance.

# Lead Morning Technical (4-hour)



|    | Support | Resistance | Current Price | Bull         | Bear                  |
|----|---------|------------|---------------|--------------|-----------------------|
| S1 | 1,968   | R1         | 2,008         | RSI above 50 | Stochastic overbought |
| S2 | 1,926   | R2         |               |              |                       |
| S3 | 1,876   | R3         |               |              |                       |

## Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is above 50 (51)
- Stochastic is overbought
- Price is above the daily pivot point USD 1,968
- Unchanged on the technical yesterday, we remained bearish with intraday Elliott wave analysis suggesting that upside moves looked like they could be countertrend, due to the downside wave extension. We remained cautious on downside moves due to the divergence that was in play, slowing momentum, and bullish rejection candle.
- The futures have moved higher on the slowing momentum and downside rejection candle. We are trading between the EMA resistance band with the RSI near neutral at 51, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 1,968 with the RSI at or below 37.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,044 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 now moving higher due to the divergence, the MA on the RSI is indicating that momentum is supported. Our intraday Elliott wave analysis indicates that the move higher looks like it could be countertrend, making USD 2,044 the key resistance to follow. A move above this level will warn that the probability of the futures trading to a new high will start to decrease.

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