



Base Morning Technical Report

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Metals

China's consumer prices rose less than expected last month, adding to signs policymakers are struggling to get households spending as the annual growth target comes under pressure.

The consumer price index increased 0.6% from a year earlier, the National Bureau of Statistics said Monday. That compares with an increase of 0.5% in July and a median forecast of 0.7% in a Bloomberg survey of economists.

Factory-gate prices remained stuck in deflation, as they've been since late 2022, with the producer price index sliding 1.8% from a year earlier, more than economists' forecast of a 1.5% drop and July's decline of 0.8%. (Bloomberg).

Copper Morning Technical (4-hour)



| | Support | Resistance | Current Price | Bull | Bear |
|----|---------|------------|---------------|------|--------------|
| S1 | 9,050 | R1 | 8,990 | | RSI below 50 |
| S2 | 8,872 | R2 | | | |
| S3 | 8,714 | R3 | | | |

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- The RSI below 50 (43)
- Stochastic is below 50
- Price is below the daily pivot point USD 9,027
- Technically bearish on Friday, the MA on the RSI implied that momentum was supported, warning the USD 9,261 resistance was vulnerable. If broken, then the probability of the futures trading to a new low would start to increase. However, our wave analysis suggested that the upside move looks like it could be countertrend, meaning the USD 9,261 resistance should in theory hold if tested.
- The futures traded to a high of USD 9,171.5 before selling lower for the remainder of the session. 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 9,027 with the RSI at or above 46.5 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 9,261 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 have rejected the EMA resistance band and the 200-period MA (USD 9,188) with price and momentum aligned to the sell side, warning the USD 8,990 fractal low is now vulnerable. Intraday Elliott wave analysis continues to suggest that upside moves look like they could be countertrend. A move below USD 8,990 will create a positive divergence with the RSI, not a buy signal it is a warning that we could see a momentum slowdown, implying caution on downside breakouts.

Aluminium Morning Technical (4-hour)



| Support | Resistance | Current Price | Bull | Bear |
|---------|------------|---------------|---------------------|--------------|
| S1 | R1 | 2,340 | Stochastic oversold | RSI Below 50 |
| S2 | R2 | | | |
| S3 | R3 | | | |

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (34)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,358
- Technically bullish but in a corrective phase on Friday, the futures had started to consolidate on the longer-term average. The MA on the RSI was flat, implying momentum had turned neutral. A move above USD 2,418.5 would mean the intraday technical was bullish; however, upside moves that rejected the USD 2,488 resistance, would warn that there is a larger bearish wave cycle in play. The consolidation on the intraday and daily 200-period MA's suggested caution on downside moves.
- The futures sold lower with price closing below the intraday 200-period MA (USD 2,368), 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 2,358 with the RSI at or above 39.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,476 will warn that there is a larger bearish Elliott wave correction in play.
- Technically bullish, the move lower on the open has breached the USD 2,338 support, meaning that the probability of the futures trading to a new high has started to decrease. The MA on the RSI is implying we have light momentum weakness, whilst lower timeframe Elliott wave analysis is suggesting that intraday upside moves look like they could be countertrend. If we close above and hold above the daily 200-period MA (USD 2,337), it will warn that there is still underlying support in the market on the higher timeframe.

Zinc Morning Technical (4-hour)



| Support | Resistance | Current Price | Bull | Bear |
|---------|------------|---------------|---------------------|--------------|
| S1 | R1 | 2,700.5 | Stochastic oversold | RSI below 50 |
| S2 | R2 | | | |
| S3 | R3 | | | |

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (35)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,729
- Unchanged on the technical on Friday. The MA on the RSI continued to imply that momentum was weak, whilst our intraday Elliott wave analysis suggested upside moves look like they could be countertrend. The 1-hour RSI was divergent, not a buy signal, it warned that we were starting to look vulnerable to an intraday move higher.
- The futures traded to an intraday high of USD 2,780; however, the move failed to hold, resulting in the futures trading to a new low. 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 2,729 with the RSI at or above 39.5 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 2,848 will leave the futures vulnerable to further tests to the downside, above this level the technical will be back in bullish territory.
- Technically bullish with a neutral bias, the MA on the RSI is implying that we have light momentum weakness; However, the MA on the RSI is starting to flatten, meaning sell side momentum is showing signs of slowing down. The 4-hour RSI is in divergence with price (as is the 1-hour), not a buy signal, it is a warning that we have the potential to see a momentum slowdown. The upside move on Friday was the countertrend intraday Elliott wave move lower that we had highlighted previously, our analysis suggests that we now have a potential downside target at USD 2,646. The divergence however means that we have a note of caution on moves lower from here.

Nickel Morning Technical (4-hour)



| Support | Resistance | Current Price | Bull | Bear |
|---------|------------|---------------|---------------------|--------------|
| S1 | R1 | 15,940 | 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 (34)
- Stochastic is oversold
- Price is below the daily pivot point USD 15,953
- Technically bearish on Friday, the downside move on the open meant that the futures were in divergence on the 4-hour timeframe. Not a buy signal, it warned that we could see a momentum slowdown which needed to be monitored. For this reason, we remain cautious on downside moves at these levels. Key resistance to follow was at USD 16,738, upside moves that rejected this level would suggest there is a larger corrective cycle in play. We remained a cautious bear, due to the divergence in play.
- The futures had a small move lower which has failed to hold. We remain below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side, as the previous candle closed below the daily pivot level whilst the RSI was below its average.
- A close on the 4-hour candle above USD 15,953 with the RSI at or above 33.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 16,430 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. However, upside moves that fail at or below USD 16,711 will warn that there could be a larger, bearish corrective cycle in play.
- Technically bearish, the MA on the RSI is flat, implying momentum is neutral. However, the futures are finding light bid support on the back of a positive divergence with the RSI, warning sell side momentum has the potential to slowdown. Our intraday Elliott wave analysis suggests that intraday upside moves look like they could be countertrend in the near-term.

Lead Morning Technical (4-hour)



| | Support | Resistance | Current Price | Bull | Bear |
|----|---------|------------|---------------|---------------------|--------------|
| S1 | 1,953 | R1 | 1,955 | Stochastic oversold | RSI below 50 |
| S2 | 1,932 | R2 | | | |
| S3 | 1,917 | 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 1,978
- Unchanged on the technical on Friday. The MA on the RSI continued to imply that momentum was weak; this was countered by the RSI being divergent, implying caution on downside moves, as the futures are starting to look vulnerable to an intraday move higher. However, intraday Elliott wave analysis continued to suggest that upside moves should be considered as countertrend.
- The futures sold lower resulting in the divergence failing. We remain 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 1,978 with the RSI at or above 39.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,027 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 is weak. Our intraday Elliott wave analysis continues to suggest that upside moves look like they could be countertrend, making USD 2,027 the key resistance to follow; if broken, then the probability of the futures trading to a new low will start to decrease. The divergence has failed, but lower timeframe momentum (1-hour) is holding support dating back to the 29th/30th of August, meaning we remain cautious on downside moves at these levels.

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