



# Base Morning Technical Report

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## Metals

Copper surged to a two-month high to cap a strong week for metals, helped by the Federal Reserve's half-point rate cut.

Base metals have advanced with other global risk assets after Fed Chair Jerome Powell kicked off the bank's easing cycle on Wednesday, while US jobless data reinforced expectations of a soft landing for the world's biggest economy.

In China, too, conditions in metals market are showing signs of improvement. Premiums on imported copper rose to the highest since the start of 2024 this week, and inventories have been coming down.

Base metals sank to multi-month lows in August amid disappointment over Chinese demand and a cloudy outlook for the global economy. The Fed's rate cut has soothed sentiment for now, but uncertainty over the US presidential election is subduing some risk appetite.

Copper was 0.7% higher to \$9,580 a ton on the London Metal Exchange by 2:22 p.m. Shanghai time. It was on track for a 2.9% weekly gain. Aluminum, zinc and nickel also rose.

Iron ore futures were trading 1.4% lower.(Bloomberg).

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,475	R1	9,590	RSI above 50	Stochastic overbought
S2	9,345	R2			
S3	9,265	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (66)
- Stochastic is overbought
- Price is above the daily pivot point USD 9,479
- Technically bullish yesterday, the MA on the RSI remained flat, implying momentum was neutral. An upside move above USD 9,466.5 would confirm that we were in a lower timeframe bullish Elliott wave 5, meaning we have the potential to trade as high as USD 9,656 within this phase of the cycle. However, a new high would create a negative divergence with the RSI, not a sell signal it warned that we have the potential to see a momentum slowdown, implying caution on upside breakouts.
- The futures traded to a new high with price opening with bid support this morning, we remain above all key moving averages with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 9,479 with the RSI at or below 58.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 9,163 will support a near-term bull argument, below this level the technical will have a neutral bias.
- Technically bullish, as noted in the close report, the upside move yesterday means that we have seen a lower timeframe Elliott wave extension, meaning downside moves should be considered as countertrend, making USD 9,163 the key support to follow. If broken, then the probability of the futures trading to a new high will start to decrease. The 1-hour RSI is still in divergence, implying caution on upside moves at these levels. A close below the low of the last dominant bull candle (currently USD 9,506) will warn that the futures could be about to enter a corrective phase.

# Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,543	RSI above 50	
S2	R2			
S3	R3			

Source Bloomberg

## Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (63)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,538
- Technically bullish yesterday, the MA on the RSI implied that we had light momentum weakness. Upside moves above USD 2,545 would confirm that we are on a lower timeframe Elliott wave 5, meaning we had the potential to trade as high as USD 2,620 within this phase of the cycle. However, a new high would create a negative divergence with the RSI, whilst the RSI could potentially be still below its average. The technical warned that upside moves could struggle to hold, implying caution on upside breakouts.
- The futures traded to a new high, but the move has failed to hold due to the negative divergence with the RSI. We are 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 2,538 with the RSI at or above 67 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 2,513 will support a bull argument, if broken, the technical will have a neutral bias.
- Technically bullish, the MA on the RSI continues to warn that momentum is weak. The futures are now on a bullish impulse Elliott wave 5; however, price is in divergence whilst the RSI is below its MA, meaning support levels are vulnerable. A move below USD 2,513 will imply that the probability of the futures trading to a new high will start to decrease, whilst below USD 2,485 the technical will be bearish.

# Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,939.5	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Source Bloomberg

## Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (60)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,910
- Technically bullish with a neutral bias yesterday, the MA on the RSI indicated that momentum was weak. The probability of the futures trading to a new high had started to decrease, whilst below USD 2,823.5 the intraday technical will be bearish. An intraday bullish rejection candle on the open warned that resistance levels were vulnerable in the near-term; however, upside moves that rejected the USD 2,933 level would warn that there was a larger corrective cycle in play. If broken, the technical would be back in bullish territory.
- The futures moved higher on the bullish rejection candle resulting in price breaching the USD 2,933 resistance, meaning the technical is now bullish. We are above all key moving averages with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,910 with the RSI at or below 55.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,780 will warn that there is a higher timeframe Elliott wave cycle in play, if broken, then the probability of the futures trading to a new high will start to decrease.
- Technically bullish, the MA on the RSI is flat, implying momentum is neutral. Upside moves that trade above USD 2,977.5 will mean that the lower timeframe Elliott wave cycle has extended to the upside; however, a new high will create a negative divergence with the RSI, implying caution on upside breakouts. We have broken key resistance, but the wave cycle looks like it may already have completed, meaning we are cautious on upside moves at these levels. If we close below the last dominant bull candle (USD 2,921.5) it will warn that support levels could be tested and broken.



# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	16,305	R1	16,420	RSI above 50	Stochastic overbought
S2	16,192	R2			
S3	16,050	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 16,305
- Technically bullish yesterday, the MA on the RSI implied that we had light momentum support. The futures were trading back on the 200-period EMA (USD 16,315), meaning the technical was at an inflection point, as this was a benchmark average. A close above that held above the average would support a near-term bull argument, if rejected, then support levels could come under pressure. A lower timeframe Elliott wave cycle suggested that we would trade above the average and the USD 16,400 high; however, this would put the futures in divergence on the lower timeframe, meaning we could struggle to hold above the USD 16,315 level.
- The futures have traded above the 200-period MA (USD 16,326) and the USD 16,400 fractal high with price holding above the average on the open this morning. We are above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 16,305 with the RSI at or below 52 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above 16,192 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the futures are now in divergence on the lower timeframe. Not a sell signal, it is a warning that we have the potential to see a momentum slowdown, which will need to be monitored. We remain cautious on upside moves at these levels, as the divergence is suggesting upside moves could struggle to hold, leaving the futures vulnerable to an intraday pullback.

# Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,092	RSI above 50	Stochastic Overbought
S2	R2			
S3	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (65)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,065
- Technically bearish yesterday, the upside move previously warned that the USD 2,062 fractal high could be tested and broken. However, we noted that this would create a negative divergence on the lower timeframe, implying caution on upside breakouts in the near-term, as they could struggle to hold.
- The futures have seen a strong move higher, resulting in the divergence failing. Price is above all key moving averages with the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 2,065 with the RSI at or below 55 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,030 will warn that there is a higher timeframe bullish Elliott wave cycle in play, if broken the USD 1,977.5 support will start to look vulnerable.
- Technically bearish with a neutral bias, the MA on the RSI is implying that momentum is supported at this point. The divergence failure yesterday suggests that the lower timeframe Elliott wave cycle has extended, meaning downside moves should be countertrend, making USD 2,030 the key support to follow. If broken, then the probability of the futures trading to a new high will start to decrease. Very low timeframe momentum is in divergence; however, there now looks to be more than one intraday pullback within this move, suggesting moves lower will find buyside support.

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