



# Base Morning Technical Report

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Copper edged lower — after rising almost 3% over the previous two sessions — on signs a rally driven by China's recent stimulus package may have run its course.

The industrial metal has risen sharply as Chinese authorities stepped up efforts to revive economic growth over the last couple of weeks, and now looks to be consolidating those gains. A gauge of Hong Kong-listed Chinese stocks dropped almost 5%, following a 13-day rally, a sign that investor enthusiasm over the stimulus policies may be ebbing.

Mainland markets are shut through Monday due to a week-long national holiday, likely damping trading volumes in metals during the Asian day. (Bloomberg).

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	10,044	R1	10,045	RSI above 50	Stochastic overbought
S2	9,914	R2			
S3	9,693	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (59)
- Stochastic is overbought
- Price is above the daily pivot point USD 10,044
- Technically bullish yesterday, the MA on the RSI indicated that momentum was weak, but the RSI was crossing the average, warning it could be slowing down. Likewise, the upside move above USD 10,040 meant that the probability of the futures trading to a new low had started to decrease. However, if we closed below the low of the last dominant bull candle (USD 9,940) it would warn that sell side pressure was increasing, whilst a move below USD 9,899 would indicate that the USD 9,813.5 fractal low could be tested and broken. We maintained our view that downside moves should be considered as countertrend; however, the technical was a little unclear on whether we are seeing a very short corrective wave 4 (on a 5 min chart); or a clearer more defined corrective phase that had broken key resistance but would still move lower. We noted that if we traded higher and closed above the intraday high of USD 10,067.5, it would suggest that we were probably in the early stages of a bullish Elliott wave 5. Technically, we needed to wait on this until we had a clearer signal.
- The futures moved higher with price closing above the USD 10,067.5 level. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 10,044 with the RSI at or below 57 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 9,354 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the upside move yesterday is warning that we could be in the Early stages of a bullish impulse wave 5. If we are, then we have a potential upside target at USD 10,597 for this phase of the cycle; however, we do have a note of caution on upside breakouts, as the futures will be in divergence with the RSI. If we fail to trade above the USD 10,158 fractal resistance, and trade below the USD 9,914 support, then the technical would suggest that we remain in the corrective wave 4. As previously noted, our Elliott wave analysis suggests that downside moves look like they could be countertrend.

# Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,668	R1	2,684	RSI above 50	Stochastic overbought
S2	2,649	R2			
S3	2,620	R3			

Source Bloomberg

## Synopsis - Intraday

- 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 2,668
- Technically bullish yesterday, the futures had traded up to (but not above) the USD 2,659 fractal high, meaning the minimum requirement for cycle completion had been met. If we traded above USD 2,659 it would create a negative divergence with the RSI, which needed to be monitored; however, Fibonacci projection levels did suggest that we have the potential to trade as high as USD 2,710 within this phase of the cycle. A move below USD 2,610 would warn that the USD 2,585 fractal support could be tested and broken.
- The futures continue to move higher with price above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 2,668 with the RSI at or below 59.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,620 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI is indicating that we have light momentum support. The futures remain in divergence, warning buy side momentum has the potential to slowdown, implying caution on upside moves; however, our intraday Elliott wave analysis continues to suggest that we have the potential to trade as high as USD 2,710 for this phase of the cycle. Note: if we go down a cycle and look at the intraday upside move that started on the 30/09, then it suggests that there is one final bull wave to come, meaning the USD 2,620 support should hold in the very near-term if tested. If it doesn't market longs will need to be cautious. The cycle is nearing exhaustion point, warning existing longs could be liquidating into upside moves from here.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,175	R1	3,219	RSI above 50	Stochastic overbought
S2	3,065	R2	3,254		
S3	3,021	R3	3,304		

Source Bloomberg

## Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (67)
- Stochastic is overbought
- Price is above the daily pivot point USD 3,175
- Technically bullish yesterday, the upside move previously had created a lower timeframe wave extension on the move that started on the 29/09/24. We were still in divergence on the lower timeframe, meaning we maintained a cautious view on upside moves; however, Fibonacci projection levels suggest that we had the potential to trade as high as 3,254 within this phase of the cycle. We maintain our view that there is a larger, bullish Elliott wave cycle in play, meaning downside moves were considered as countertrend.
- The futures remain supported having seen a small move higher, 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 3,175 with the RSI at or below 63 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,961 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, our intraday Elliott wave cycle continues to suggest that we have the potential to trade as high as USD 3,254 within this phase of the cycle. However, we are in divergence, implying caution on upside moves at these levels. We maintain our view that downside moves look to be countertrend, making USD 2,961 the key support to follow, if broken, then the probability of the futures trading to a new high will start to decrease.

# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	18,021	R1	18,225	RSI above 50	Stochastic overbought
S2	17,333	R2			
S3	17,047	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (84)
- Stochastic is overbought
- Price is above the daily pivot point USD 18,021
- Technically bullish yesterday, the MA on the RSI implied that momentum was supported; however, we had a minor negative divergence with the RSI, which needed to be monitored, as it warned that buyside momentum had the potential to slowdown. We maintained our view based on intraday Elliott wave analysis that downside moves should be considered as countertrend.
- The futures continue to trade to new highs, resulting in the minor divergence highlighted yesterday failing. We remain above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 18,021 with the RSI at or below 79 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 16,659 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI is indicating that we have light momentum support. The 4-hour divergence has failed but we continue to see divergences on lower timeframes, which need to be monitored, as we could see a momentum slowdown. However, as stated previously, we maintain our view that downside moves look like they will be countertrend based on our Elliott wave analysis.

# Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,139	R1	2,142.5	RSI above 50	Stochastic overbought
S2	2,134	R2			
S3	2,115	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (58)
- Stochastic is overbought
- Unchanged on the technical yesterday. We remained bullish with price holding above key support, warning we could have one more test to the upside in the near-term. Intraday Elliott wave analysis continues to suggest that downside moves should be considered as countertrend.
- The futures have now traded to a new high. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,139 with the RSI at or above 55 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,115 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI is indicating that we have light momentum support at this point. However, the upside move to a new high means that the futures are in divergence with the RSI, warning buyside momentum could soon slow. Elliott wave analysis is suggesting we have the potential to trade as high as USD 2,216 within this phase of the cycle. Corrective moves that trade below USD 2,115 will warn that the probability of the futures trading to a new high will start to decrease. We are a cautious bull due to the divergence in play.

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