



Base Morning Technical Report

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China

China's central bank moved to support markets just as data showed the economy expanding the least in six quarters, signaling the government's intent to continue a stimulus push to draw a line under the slowdown.

The People's Bank of China disclosed more details of its measures to boost capital markets minutes after authorities released figures showing China's slowdown deepened in the third quarter. At a separate event in Beijing, PBOC Governor Pan Gongsheng flagged the real estate and stock markets as key challenges in the economy that require targeted policy support. (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,536	R1	9,575		RSI below 50
S2	9,506	R2			
S3	9,435.5	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- The RSI below 50 (44)
- Stochastic is below 50
- Price is above the daily pivot point USD 9,536
- Technically bullish yesterday, we remained in a corrective phase with the upside channel rejection warning that the 200-period MA at USD 9,498 could come under pressure. A close below that held below the average would leave the USD 9,354 vulnerable, if broken the probability of the futures trading to a new high would start to decrease, warning the bullish Elliott wave cycle could fail. Likewise, if we held above the average, it would indicate that there is an underlying support in the market.
- The futures sold to a low of USD 9,435.5, resulting in the 200-period MA (USD 9,506) being broken; however, the downside move failed to hold below the average, meaning we are seeing bid support in the Asian day session. We remain below the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 9,536 with the RSI at or below 38.5 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. 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 (but in a corrective phase), the MA on the RSI is indicating that we have light momentum support. The failure to hold below the 200-period MA signals that there is an underlying support in the market, whilst a close above the upper channel resistance (USD 9,592) will warn that buyside pressure is starting to increase. If we do close below and hold below the 200-period MA (USD 9,506), it will warn that the USD 9,354 support could come under pressure.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,536	R1	2,562		RSI below 50
S2	2,502	R2			
S3	2,451	R3			

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (45)
- Stochastic is below 50
- Price is below the daily pivot point USD 2,566
- Technically bearish yesterday, the MA on the RSI indicated that we had light momentum weakness. The upside rejection of the EMA resistance band, alongside our bearish Elliott wave analysis, warned that the USD 2,505 fractal low is starting to look vulnerable.
- The futures failed to trade below USD 2,543, resulting in a trend support line being created. The futures are now in a symmetrical triangle, 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 2,566 with the RSI at or above 49.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,629 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, price action is neutral due to the symmetrical triangle. Trend support is at USD 2,553 and resistance at USD 2,576. A close outside (that holds outside) of the symmetrical triangle, should in theory give you near-term directional bias.

Zinc Morning Technical (4-hour)



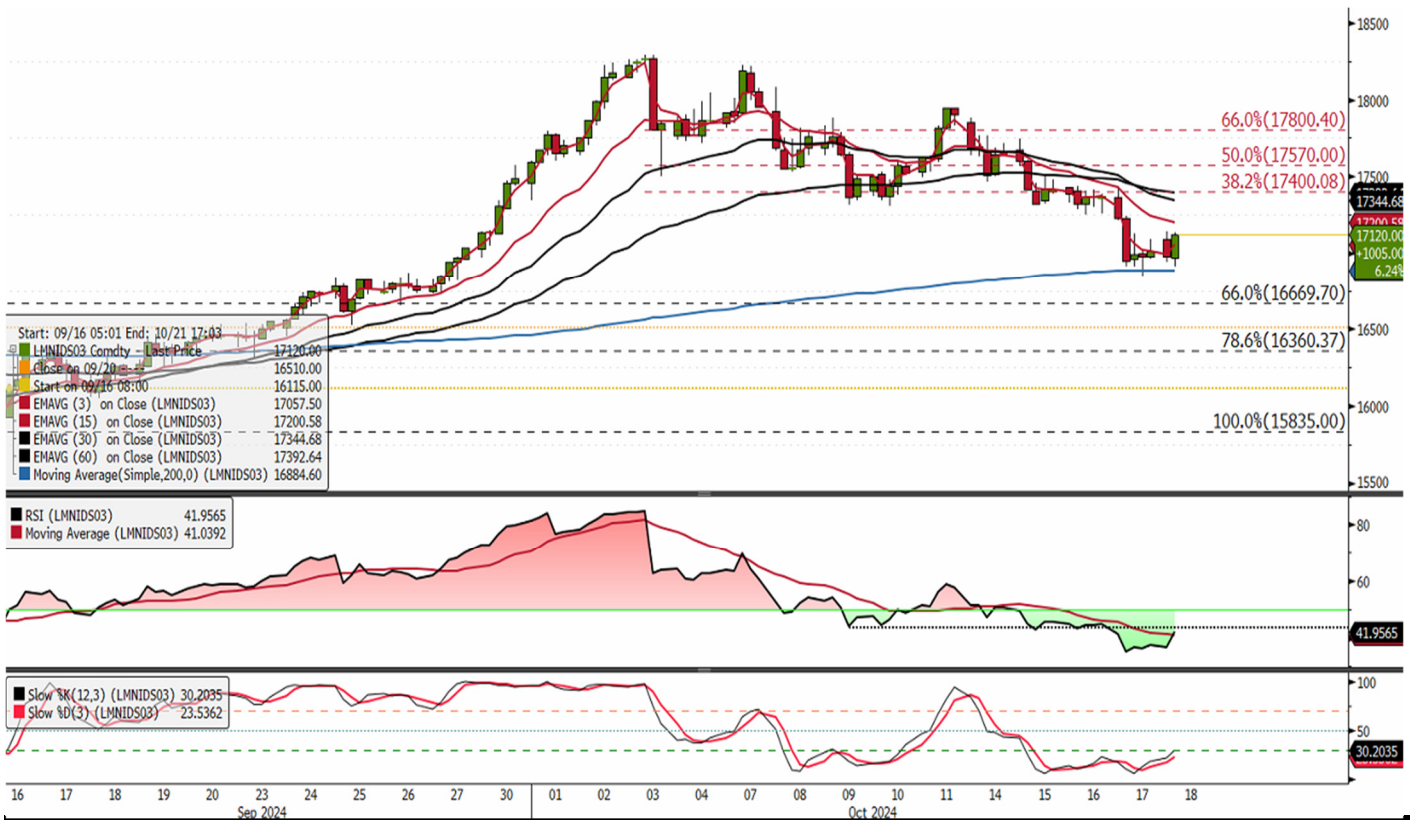
	Support	Resistance	Current Price	Bull	Bear
S1	3,038	R1	3,065		
S2	2,961	R2	3,130		RSI below 50
S3	2,913	R3	3,159		

Source Bloomberg

Synopsis - Intraday

- Price is between the EMA resistance band (Black EMA's)
- RSI is below 50 (49)
- Stochastic is above 50
- Price is above the daily pivot point USD 3,038
- Technically bullish yesterday, as noted previously, the move below USD 3,039 warned that the corrective phase had the potential to be more complex, resulting in the futures selling lower. We maintained our view that the USD 2,977.50 fractal low remained vulnerable. If we did trade below the USD 2,961 support, then the probability of the futures trading at a new high would start to decrease, meaning that probability of the bullish Elliott wave cycle failing would increase.
- The futures traded to a low of USD 2,978, held support with price now testing the USD 3,065 trend resistance. We are between the EMA resistance band with the RSI near-neutral at 49, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 3,038 with the RSI at or below 45 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, the futures have held support with price testing trend resistance (USD 3,065), if we close above and hold above this level, it will warn that resistance levels could be tested and broken. Failure to do so will indicate that we remain in a corrective phase.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	17,098	R1	17,400	Stochastic oversold	RSI below 50
S2	16,884	R2	17,570		
S3	16,669	R3	17,800		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (41)
- Stochastic is oversold
- Price is above the daily pivot point USD 17,098
- Technically bullish but in a corrective phase yesterday, the divergence failure previously warned that intraday upside moves had the potential to be countertrend in the near-term. We were approaching the 200-period MA (USD 16,883), we noted that this was a benchmark average and had the potential to act as a support, a close below that held below the average would warn that the USD 16,669 level could be tested and broken. If it was, then the probability of the futures trading at a new high would start to decrease. The move lower was in theory countertrend based on the higher timeframe wave cycle, the 200-period MA had the potential to act as support in the very near-term, whilst lower timeframe wave analysis on the corrective move warned that there was in theory one more move lower yet to come.
- The futures have tested but held the 200-period MA (USD 16,884). We are below the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the sell side, as the previous candle close below the daily pivot level.
- A close on the 4-hour candle above USD 17,098 with the RSI at or above 43.5 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 16,669 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish but in a corrective phase, the futures are holding above the 200-period MA. The MA on the RSI is implying that we have light momentum weakness, whilst lower timeframe Elliott wave analysis would suggest we are vulnerable to on more test to the downside. However, this would be wave 5 of a wave C correction, meaning we are now cautious on downside moves at these levels.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,070		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 (46)
- Stochastic is below 50
- Price is below the daily point USD 2,078
- Technically bullish based on price yesterday, the MA on the RSI indicates that we have light momentum support; however, the RSI was trading below its average, warning momentum could be transitioning to the sell side. Technically we remained neutral as price is holding above support but rejecting resistance.
- The futures are moving sideways, implying indecision in the market. 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 2,078 with the RSI at or above 51 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,122 will leave the futures vulnerable to further tests to the downside, warning that the corrective phase has the potential to become more complex. Likewise, downside moves that hold at or above USD 2,021 will warn that there is potentially a larger bullish Elliott wave cycle in play.
- Unchanged on the technical today. We remain neutral as price is holding above key support but below key resistance.