



Base Morning Technical Report

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(Bloomberg) -- Zinc output will be disrupted this year due to the suspension of Young Poong's Seokpo refinery, Korea Zinc CEO Yun B. Choi says at media event in Seoul on Thursday.

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,016	R1	9,124	RSI above 50	Stochastic overbought
S2	8,954	R2	9,194		
S3	8,865	R3	9,314		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- The RSI above 50 (58)
- Stochastic is overbought
- Price is above the daily pivot point USD 9,016
- Technically bullish yesterday, we noted that it looked like the downside bear cycle may have completed; however, whilst price was below the 200-period MA and the USD 9,124 resistance, we have a note of caution. Bullish based on price, we had a neutral view at that point.
- The futures have traded to a high of USD 9,068.5, meaning price is above the 200-period MA (9,042). We are 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 9,016 with the RSI at or below 54.5 will mean price and momentum are aligned to the sell side. Upside moves that fail to or below USD 9,124 will warn that there is a larger, bearish Elliott wave cycle in play, above this level the technical will have a neutral bias. Downside moves that hold at or above USD 8,865 will support a near-term bull argument.
- Technically bullish based on price, the futures are above the 200-period MA. If we hold above the average and trade above the USD 9,124 resistance, then the probability of there being a larger bearish Elliott wave cycle in play will start to decrease. However, above USD 9,076, the futures will be in divergence with the RSI on the 1-hour timeframe, implying caution on upside moves above this level in the near-term.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,508	R1	2,521.5		RSI below 50
S2	2,464	R2			
S3	2,413	R3			

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 2,505
- Unchanged on the technical yesterday, we remained bearish with the MA on the RSI implying momentum was supported. As noted previously, our Elliott wave analysis suggested we are on a wave-5 of this phase of the cycle, warning sell side momentum could soon exhaust, making USD 2,541 the key resistance to follow. If rejected, it would indicate that there was further downside within this cycle; if broken, then the probability of the futures trading to a new low would start to decrease. We remained a cautious bear.
- The futures have seen a small move higher with price now between the EMA resistance band. The RSI is near-neutral at 49 with price and momentum aligned to the buy side.
- A close on the 4-hour candle below USD 2,505 with the RSI at or below 42 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,541 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically we remain bearish with the MA on the RSI continuing to suggest that momentum is supported at this point. As noted previously, we do look to be on an Elliott wave 5, implying caution on downside moves; however, we do remain below key resistance at this point. If we do trade above USD 2,541, 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	2,833.5	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 (34)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,839
- Technically bearish yesterday, the MA on the RSI was flat, implying sell side momentum was turning neutral. The futures were now at the 100% Fibonacci projection (USD 2,838, A-B = C-D), a natural area of support, whilst price was in divergence with the RSI, warning sell side momentum could slow. We remained cautious on downside moves at those levels; however, our Elliott wave analysis did suggest that upside moves should be considered as countertrend, making USD 2,985 the key resistance to follow. If broken, then the probability of the futures trading to a new low would start to decrease. We noted that the wave-1 was currently longer than the wave 3, ideally, we would like to have seen the futures trading below USD 2,838 before moving higher.
- The futures traded to a low of USD 2,810 before finding light bid support. 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 2,839 with the RSI at or above 36 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 2,974 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the 4-hour divergence has failed; however, we remain in divergence on the 1-hour timeframe. Not a buy signal, it is a warning that we could see a momentum slowdown which needs to be monitored. Elliott wave analysis continues to suggest that upside moves should be considered as countertrend, making USD 2,974 the key resistance to follow. If broken, the probability of the futures trading to a new low will start to decrease. Having traded below the USD 2,838 level, the wave 3 is now longer than the wave 1, whilst price is still in divergence on the lower timeframe. For this reason, we remain cautious on moves lower at these levels, as the technical is warning we could soon see an intraday upside move.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	15,400	R1	15,470	RSI above 50	Stochastic overbought
S2	15,107	R2			
S3	14,938	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (54)
- Stochastic is overbought
- Price is above the daily pivot point USD 15,400
- Technically bearish but with a neutral bias yesterday, the probability of the futures trading to a new low has started to decrease. The MA on the RSI implied that momentum was supported, meaning resistance levels were vulnerable, above USD 15,680 the intraday technical would be bullish. Faster moving oscillators warned that near-term price action was starting to look overbought; however, a 5-wave pattern lower, followed by a move higher on the divergence suggests that downside moves now look like they could be countertrend.
- The futures are consolidating near their highs. 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 15,400 with the RSI at or below 50.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 15,107 will support a near-term bull argument; if broken, then the technical will be back in bearish territory.
- We remain bearish with a neutral bias, the probability of the futures trading to a new low has started to decrease. The MA on the RSI continues to imply that momentum is supported, meaning resistance levels are vulnerable; above USD 15,680 the intraday technical will be bullish. However, faster moving oscillators are warning that near-term price action is starting to look overbought, whilst the 1-hor RSI is divergence, leaving the futures vulnerable to an intraday pullback. We should note that the initial 5-wave pattern lower, followed by a move higher on a positive divergence, suggests that downside moves now look like they could be countertrend.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bull
S1	1,955	1,941	Stochastic oversold	RSI below 50
S2	1,890			
S3	1,859			
	R1	1,946		
	R2	1,976		
	R3	1,987		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (46)
- Stochastic is oversold
- Price is below the daily point USD 1,946
- Technically bearish yesterday, the MA on the RSI implied momentum was supported, warning resistance levels remained vulnerable. As noted previously, the 5-3-5 (A, B, C) wave pattern lower implies caution on downside moves, as this phase of the bearish Elliott wave cycle looked to have completed. Upside moves that fail to trade above the USD 2,040 level will warn that there is potentially a larger, bearish Elliott wave cycle in play.
- The futures traded to a high of USD 1,975 before entering a corrective phase. We are below all key moving averages with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 1,946 with the RSI at or above 50.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 1,976 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically we remain bearish, the MA on the RSI is now flat, implying momentum is neutral. As noted previously, the 5-3-5 (A, B, C) wave pattern lower implies caution on downside moves, as this phase of the bearish Elliott wave cycle looks to have completed; However, the rejection of the USD 1,976 resistance does suggest that support levels are vulnerable. Technically, we maintain a cautious view on downside moves, if we do trade below the USD 1,920 low, the futures will be in divergence with the RSI, meaning we could struggle to hold on moves lower.

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