



# Base Morning Technical Report

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## Metals

(Bloomberg) -- Copper in London rose for a fifth day, and is headed for its biggest weekly advance since September, as US traders braced for potential import tariffs and China's demand is set to rise after holidays.

Futures followed a move higher in New York that has seen the premium over London widen to the most since the unprecedented short squeeze on the US exchange last year. Traders are increasingly concerned copper will be included in blanket levies that President Donald Trump has threatened to impose on goods from all countries.

Meanwhile, demand is seen picking up in China. Inventories at processors in the biggest consumer of the red metal are low, and they are willing to replenish them, Ji Xianfei, an analyst with Guotai Junan Futures, said in a note.

Copper and other industrial metals have wavered since mid-January on concerns a global trade war would hurt demand. However, Donald Trump's policies are expected to be "more disruptive than destructive," ANZ Group Holdings Ltd. analysts Daniel Hynes and Soni Kumari said in a note, adding that US metal processors and manufacturers will have little choice but to accept higher costs for raw materials.

Copper rose 1.2% to \$9,386 a ton on the London Metal Exchange as of 12:08 p.m. in Shanghai, up 3.7% for the week. It climbed 0.7% to \$4.493 a pound, or \$9,905 a ton, on Comex. Other metals also gained in London, led by zinc, which advanced 1.5%.

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,299	R1	9,428	RSI above 50	Stochastic overbought
S2	9,225	R2	9,513		
S3	9,166	R3	9,604		

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (68)
- Stochastic is overbought
- Price is above the daily pivot point USD 9,299
- Technically bullish yesterday, the MA on the RSI implied that momentum was supported. We noted that if we traded above USD 9,355 it would suggest we could be on a higher timeframe bullish impulse Elliott wave 3; however, momentum indicators warned that we might see a technical pullback soon, as the 21 period RSI is nearing resistance, whilst the 6-period RSI is at 85. We are bullish, and from a technical perspective we would like to see price trade above USD 9,355 before a technical pullback (to confirm the wave 3). Market pullbacks that closed below and held below the linear regression line (USD 9,208) would warn that the Fibonacci support zone could come under pressure.
- The futures sold lower for the remainder of the session; however, we have opened with bid support this morning and traded above the USD 9,355 level, confirming the Elliott wave 3 on the higher timeframe. 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 9,299 with the RSI at or below 59 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 9,060 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, we now look to be on an Elliott wave 3, implying downside moves should in theory be countertrend. The MA on the RSI is implying that momentum is supported; however, the 21 period RSI is at resistance whilst the 6-period at 82 is overbought. The technical continues to suggest that we are overextended in the near-term, warning the futures could enter a corrective phase, making USD 9,085 the key support to follow. If we do trade below this level, then the probability of the futures trading to a new high will start to decrease. Bullish, we remain caution on moves higher in the near-term at these levels.

# Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,624	R1	2,643.5	RSI above 50	
S2	2,563	R2			
S3	2,536	R3			

Source Bloomberg

## Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (57)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,624
- Having tested the downside previously, the futures held the intraday 200-period MA (USD 2,582), resulting in a move higher off the back of an intraday bullish rejection candle, warning the USD 2,653 resistance could be tested and broken. If it was, then the technical would be back in bullish territory. We maintained a note of caution on downside moves due to the two bullish engulfing candles above the 200-period MA (USD 2,538) on the daily timeframe.
- We tested the EMA support band yesterday, which held, resulting in price moving higher on the open this morning. The RSI is above 50 with price and momentum aligned to the buyside.
- A close on the 4-hour candle below USD 2,624 with the RSI at or below 51 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,653 will warn that there could be further downside within the corrective phase, above this level the technical will be back in bullish territory.
- Technically bullish with a neutral bias, a move above USD 2,653 will mean that the technical is back in bullish, warning there could be a higher timeframe bull cycle coming into play. We are now testing the linear regression line (LRL) at USD 2,645, a close above that holds above the line will leave resistance levels vulnerable, likewise a rejection of the LRL would suggest that the EMA support band and potentially the 200-period MA (USD 2,583) could come under pressure. Note: holding above the LRL is more important than a breach in the USD 2,653 resistance. The futures are now at an inflection point, we could find price trading around the LRL for a few days as the technical fights for directional bias.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,832	R1	2,890	RSI above 50	Stochastic overbought
S2	2,818	R2	2,926		
S3	2,810	R3	2,986		

Source Bloomberg

## Synopsis - Intraday

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (59)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,818
- Bullish based on price yesterday, the MA on the RSI implied that momentum was supported. As noted previously, the Elliott wave cycle looked like it may have completed, meaning we had a note of caution on downside moves. USD 2,890 was the key Fibonacci resistance to follow, if we rejected this level, it would warn that we could see a wave extension to the downside; if broken, it would increase the probability that the bear cycle had potentially completed. We highlighted the Linear regression line of the corrective cycle lower (USD 2,835), as this was now being tested. A close above that held above the line would mean that there the USD 2,890 resistance was likely to be tested and broken; conversely, if rejected, the USD 2,749 support could come under pressure. The technical was at an inflection point, all eyes were on the USD 2,835 level.
- The futures have closed above the linear regression line (LRL) this morning (USD 2,833). 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 2,818 with the RSI at or below 50 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,763 will support a bull argument, below this level the technical will have a neutral bias. Upside moves that fail at or below USD 2,890 will warn that there could be a larger bearish wave cycle in play (I.E. a wave extension).
- Bullish based on price, the MA on the RSI implies that momentum is supported. We have now closed above the LRL, if we hold above it, then the USD 2,890 resistance could be tested and broken. If it is, then the probability of there being a larger bear cycle in play will start to decrease, thus increasing the probability of the futures being in the early stages of a new bull cycle. Resistance levels are now vulnerable as price is above the LRL.



# Nickel Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	15,805	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (61)
- Stochastic is overbought
- Price is above the daily pivot point USD 15,771
- Technically bearish with a neutral bias yesterday, the MA on the RSI implied that momentum was supported, above USD 15,830 the futures would be bullish. The move above USD 15,579 suggested that downside moves should be considered as countertrend. We highlighted the intraday rejection candle, as it warned that buyside pressure could be slowing; we also note that the 6-period RSI was at 83. We were bullish but have a note of caution on moves higher at those levels, as the technical warned that we could soon see an intraday pullback. If we traded above and closed above the high of the rejection candle (USD 15,820) it will indicate that buyside pressure was increasing, meaning the USD 16,135 fractal high could be tested and broken.
- The futures closed above the high of the rejection candle, resulting in price moving above the USD 15,830 fractal resistance, the intraday technical is now bullish. 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 15,771 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 15,317 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI is implying that momentum remains supported at this point. Lower timeframe Elliott wave analysis is suggesting that downside moves should be considered as countertrend, making USD 15,317 the key support to follow. If broken, then the probability of the futures trading to a new high will start to decrease. The intraday futures have closed below the low of the high candle, this is also the last dominant bull candle, warning we could potentially be in the early stages of a corrective phase.

# Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	1,996	R1	2,013	RSI above 50	Stochastic overbought
S2	1,983	R2			
S3	1,974	R3			

Source Bloomberg

## Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (64)
- Stochastic is overbought
- Price is above the daily point USD 1,996
- Technically bullish yesterday, the MA on the RSI implied that momentum was supported. If we tested and held the USD 1,995.5 support, then we could see the USD 2,039 resistance come under pressure. If it held, it would warn that there could be a larger, bearish Elliott wave cycle in play. Conversely, if broken, it would support a longer-term bull argument. A close below the support line would put price back in the consolidation zone, meaning we could test Fibonacci support zone. The 6-period RSI is overbought at 81, making USD 1,995.5 a key support to follow on this technical.
- The futures did close below the USD 1,995.5 level; however, we closed back above it on the following candle, resulting in price testing the USD 2,024 resistance.
- We are above all key moving averages supported by the RSI above 50, intraday piece and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 1,996 with the RSI at or below 60.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 1,961 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, above USD 2,014 the futures will be in divergence with the RSI, not a sell signal, it is a warning that we could see a momentum slowdown and will need to be monitored. There is a small lack of clarity on the technical, as our Elliott wave cycle has a marginal cross on the lower timeframe. The longer we stay elevated, the greater the chance that we will see a bullish wave extension; if we do, then downside moves should be considered as countertrend. Although bullish, we have a neutral view, as the futures are not a 'technical' buy at these levels, meaning we need to wait to see if we get a wave extension.

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