

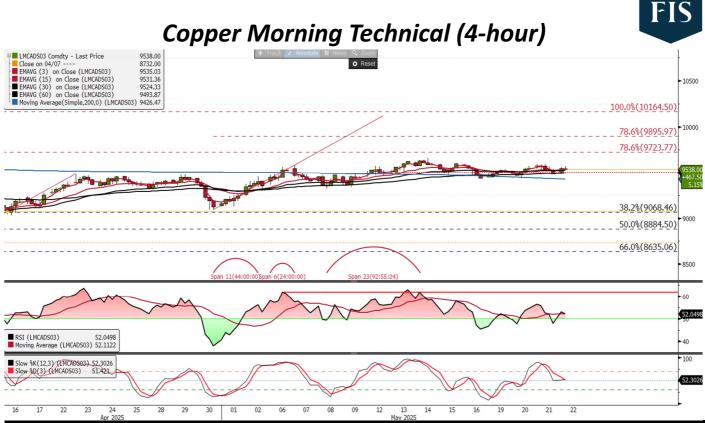
# **Base Morning Technical Report**

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#### US

(Bloomberg) -- JPMorgan Chase & Co. chief Jamie Dimon can't rule out the US economy will fall into stagflation as the country faces huge risks from geopolitics, deficits and price pressures.

"I don't agree that we're in a sweet spot," the chief executive officer said in a Bloomberg Television interview from the lender's Global China Summit in Shanghai. He added that the US Federal Reserve is doing the right thing to wait and see before they decide on monetary policy.



Support		Resistance		Current Price	Bull	Bear
S1	9,426	R1	9,597			
S2	9,325	R2	9,664	9,538	RSI above 50	
S3	9,068	R3	9,723			

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (51)
- Stochastic is above 50
- Price is below/on the daily pivot point USD 9,539
- We remained bearish with a neutral bias previously with price above the intraday 200-period MA. The MA on the RSI had started to flatten, whilst, the average had acted as a resistance to the RSI; we noted that if we closed below and held below the 200-period average (USD 9,457) it would warn that sell side pressure was increasing, whilst above the average, resistance levels remained vulnerable. As noted previously, the current move higher was greater in time and weaker in price than the previous move, warning buyside momentum was slowing; whilst a move above the USD 9,664 fractal high we had the potential to create a negative divergence with the RSI, meaning we had a note of caution on upside breakouts above this level.
- The futures continue to move sideways whilst holding above the EMA support band. The RSI is now above 50 with price and momentum conflicting.
- A close on the 4-hour candle above USD 9,539 with the RSI at or above 54.5 will mean price and momentum are aligned to the buyside; likewise, a close below this level with the RSI at or below 52 will mean it is aligned to the sell side. Downside moves that hold at or above USD 8,635 will support a bull argument, below this level the technical will be back in bearish territory.
- Unchanged on the technical, we remain bearish with a neutral bias. the MA on the RSI is flat, whilst price is consolidating, implying near-term price action is neutral. We maintain a note of caution on upside breakouts above USD 9,664 as price will become divergence with the RSI, warning we could see a momentum slowdown. However, for downside continuation, the futures will need to close and hold below the 200-period MA (USD 9,426). Whilst above the average, resistance levels remain vulnerable.



S3

Price is above the EMA support band (Black EMA's)

R3

2,557

- RSI is above 50 (53)
- Stochastic is overbought

2,457

- Price is above the daily pivot point USD 2,476
- Unchanged on the technical on the previous report, the futures remained in a corrective phase whilst the Elliott wave cycle remained bearish. The rejection of the USD 2,557 level continued to suggest support levels were vulnerable. However, for downside continuation, we needed to see a close below the 200-period MA (USD 2,465) and the polarity support at USD 2,468. Failure to do so would warn that resistance levels remains vulnerable. Pirce was weakening, but remained above a support zone, meaning we were still at an inflection point.

- The futures have tested but are holding above the polarity support and the 200-period MA (USD 2,457). 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 2,476 with the RSI at or below 48.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or above USD 2,557 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Th longer-term Elliott wave cycle remains bearish having rejected the USD 2,557 resistance, above this level we have a neutral bias, as the probability of price trading to a new low will start to decrease. The MA on the RSI indicates that we have light momentum support, whilst we remain above the polarity support and 200-period MA (USD 2,468—USD 2,457), for downside continuation the futures will need to close below and hold below the support zone. We continue to have a noted of caution on moves higher, due to the upside rejection of the USD 2,557 resistance previously; however, whilst above the support zone, resistance does remain vulnerable. We have linear regression resistance at USD 2,487, a close above that holds above this level will warn we could see another test to the upside in the near-term. Price is supported, but we continue to be cautious on moves higher.



2,590

S3

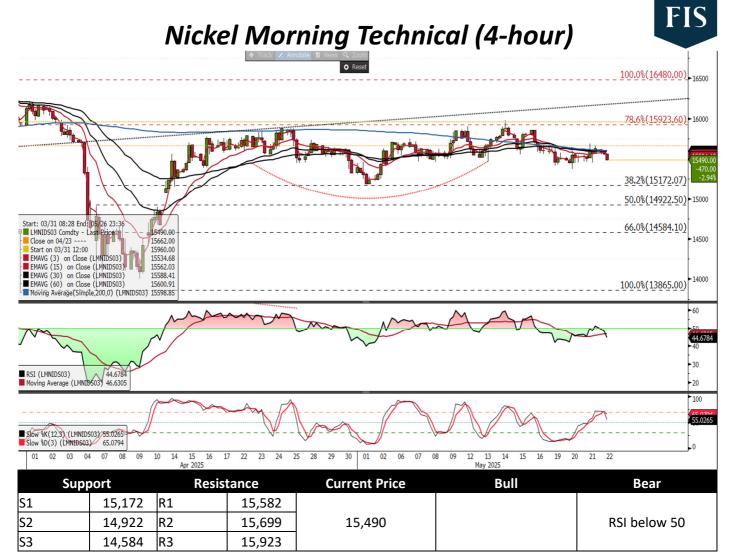
• Price is below the EMA support band (Black EMA's)

R3

2.752

- RSI is below 50 (46)
- Stochastic is below 50
- Price is below the daily pivot point USD 2,703
- Technically bearish with a neutral bias on the previous report, the futures remained just above the linear regression line (USD 2,688). Having closed below and rejected the 200-period MA, the technical implied weakness. If we close below and hold below the USD 2,688 level, then the USD 2,607 support will start to become vulnerable; if broken, the wave cycle would be back in bearish territory. For upside continuation, the futures were going to need to close and hold above the USD 2,713 level. Support levels continued to look vulnerable, due to the RSI rejecting resistance and price closing below the 200-period MA.

- The futures did have another teste to the upside; however, we failed to hold above the 200-period MA (USD 2,703). We are below all key moving averages supported byt the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,703 with the RSI at or above 53.5 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 2,656 will support a bull argument, below this level the futures will be back in bearish territory.
- Technically we rare bearish with a neutral bias, the MA on the RSI implies that we have light momentum weakness. The failure to hold above the bearish sloping 200-period MA (USD 2,703) is warning that support levels could come under pressure. A move below USD 2,656 will indicate that the pullback is deep, suggesting the futures will be back in bearish territory. However, confirmation will come below the USD 2,653 fractal support.



Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (44)

Synopsis - Intraday

- Stochastic is above 50
- Price is below the daily pivot point USD 15,582
- Bearish with a neutral bias on the last report, the MA on the RSI implied that momentum was weak. Price was at an inflection point as we continued to trade around the 200-period MA (USD 15,622); we noted that if we held below the average and traded below the USD 15,460 level, it would indicate that the inverse head and shoulders pattern had failed, warning the Fibonacci support zone could come under pressure. Conversely, if we closed back above and held the average, then resistance levels would remain vulnerable.
- The futures rejected the 200-peirod MA (USD 15,598) resulting in price trading below the USD 15,460 fractal support, meaning the inverse head and shoulders pattern has failed. We are 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 15,582 with the RSI at or above 49 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 14,584 will support a bull argument, below this level the technical will be back in bearish territory.
- Bearish with a neutral bias, the inverse head and shoulders pattern failure alongside the rejection on the 200-period MA is warning that the Fibonacci support zone is now vulnerable, meaning we are now cautious on intraday movies higher.



Support		Resistance		<b>Current Price</b>	Bull	Bear
S1	1,946	R1	1,964			
S2	1,935	R2	1,974	1,950	Stochastic oversold	RSI below 50
S3	1,915	R3	1,994			
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- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (40)
- Stochastic is oversold
- Price is below the daily point USD 1,974
- Technically bearish with a neutral bias on the previous report, the probability of price trading to a new low had started to decrease. However, the futures were yet to close above the USD 2,006 level whilst in divergence with the RSI, meaning we continued to have a note of caution on moves higher. For upside continuation, we needed to close above and hold above the USD 2,006 level with divergence failing.
- The divergence held, resulting in price selling lower. We are below all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 1,974 with the RSI at or above 50 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 1,946 will support a bull argument, below this level the technical will be back in bearish territory.
- Technically bearish, the MA on the RSI implies that momentum is weakening. The divergence failure has resulted in price testing the USD 1,946 support; however, we are yet to trade below it. If we do, then the technical will be back in bearish territory. Due to price selling lower on the negative divergence, we remain cautious on moves higher at this point.

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