



Base Morning Technical Report

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(Bloomberg) -- Caixin Media and S&P Global release China's May manufacturing purchasing managers' index.

Index falls to 48.3 from 50.4 in April; Year ago 51.7

Lowest reading since Sept. 2022

Output falls to 47.5 vs 51.6 in April

Lowest reading since Nov. 2022

Reverses expansion trend

New orders fall vs prior month

Lowest reading since Sept. 2022

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	9,433.5	R1	9,534.5		RSI below 50	
S2	9,363	R2				9,664
S3	9,068	R3				9,723

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- The RSI below 50 (47)
- Stochastic is overbought
- Price is below the daily pivot point USD 9,588
- Technically bearish with a neutral bias yesterday, we continued to hold above the 200-period MA (USD 9,358) but below the USD 9,664 fractal high. Price was consolidating whilst the EMA support band implied that we lacked directional bias. We continued to be cautious on upside breakouts above USD 9,664, as the RSI was likely to be divergent with price, warning buyside momentum could slow above this level. For downside continuation, we needed to see a close below the 200-period MA at USD 9,358.
- The futures traded to a high of USD 9,636.5 yesterday, before selling lower in the Asian day session. We are below the EMA support 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 9,588 with the RSI at or above 53 will mean price and momentum are aligned to the buyside. 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.
- The Elliott wave cycle is bearish with a neutral bias, near-term price action remains bullish but in a corrective phase. The MA on the RSI is implying light momentum weakness, whilst price and momentum are aligned to the sell side, warning the USD 9,433.5 fractal support could come under pressure; if broken, we target the intraday 200-period MA at USD 9,363. Price continues to consolidate below the USD 9,664 fractal high, and the 200-period MA, implying neutrality. As noted yesterday, we remain cautious on upside breakouts to a new high, as the futures will be in divergence with the RSI, warning we could see a momentum slowdown. For downside continuation, we need to see a close below the 200-period MA at USD 9,363.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,433	R1	2,443.5		RSI below 50
S2	2,412	R2			
S3	2,377	R3			

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (46)
- Stochastic is above 50
- Price is below the daily pivot point USD 2,456
- Technically bearish yesterday, the MA on the RSI implied that momentum was weak. The futures were trading on the intraday 200-period MA (USD 2,433), a close below that held below this level would warn that the USD 2,377 fractal low could be tested and broken. We had breached the USD 2,433 Fibonacci support, meaning we maintained a cautious view on moves higher at that point, as the technical condition was weakening.
- The futures traded to a high of USD 2,477 before selling lower in the Asian day session. We are below the EMA resistance band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 2,456 with the RSI at or below 43.5 will mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is aligned to the buy 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.
- Unchanged on the technical this morning, we remain bearish with price rejecting the linear regression line yesterday (USD 2,487), warning the 200-period MA at USD 2,434 could be tested and broken. A close below that holds below the average will warn of downside continuation; conversely, if the average holds, it will suggest there is an underlying support in the market. As highlighted previously, the breach in the USD 2,433 support does suggest that the technical condition is weakening.

Zinc Morning Technical (4-hour)



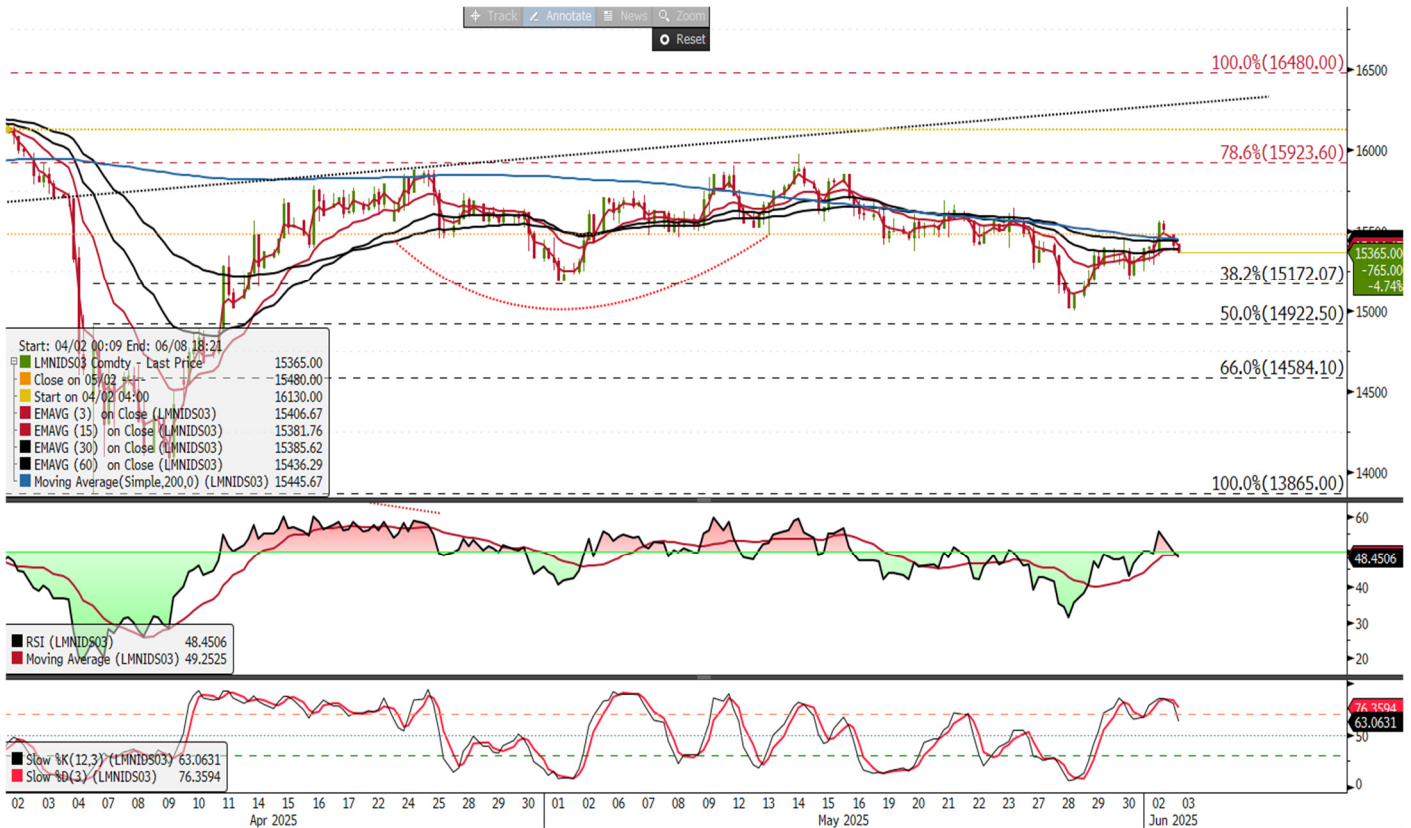
	Support	Resistance	Current Price	Bull	Bear
S1	2,663	R1	2,677	2,664	RSI below 50
S2	2,631	R2	2,705		
S3	2,590	R3	2,728		

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (46)
- Stochastic is overbought
- Price is below the daily pivot point USD 2,677
- Technically bearish yesterday, the MA on the RSI implied that momentum was weak, whilst the futures were back in bearish territory, meaning we were cautious on moves higher. However, we noted that price was two standard deviations below the linear regression line, meaning we were vulnerable to an intraday move higher in the near-term.
- The futures traded to a high of USD 2,707 before selling lower this morning. We are below the EMA resistance band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 2,677 with the RSI at or below 42 will mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is aligned to the buy side. Upside moves that fail at or below USD 2,752 will leave the futures vulnerable to further tests to the downside.
- Technically bearish, the futures rejected the linear regression line yesterday, resulting in price selling back to the 200-period MA (USD 2,663). A close below that holds below the average will warn that the USD 2,617 fractal low could be tested and broke; conversely, if the average holds it will suggest there is an underlying support in the market. The Elliott wave cycle is back in bearish territory, whilst the rejection of the linear regression line implies selling interest at higher levels; if we close below the weekly pivot level on the daily timeframe (USD 2,658), it will weaken the technical further.

Nickel Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	15,365		Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (48)
- Stochastic is overbought
- Price is below the daily pivot point USD 15,450
- Technically bearish with a neutral bias yesterday, the MA on the RSI implied that momentum was supported. The futures were testing the intraday 200-period MA (USD 15,448), meaning price was at an inflection point. Having held above the USD 15,584 support, we noted that a close above that held above the USD 15,448 level would warn that resistance levels could come back under pressure. Conversely, a rejection of the average that was followed by price and momentum becoming aligned to the sell side, would warn of further downside within this phase.
- The futures traded to a high of USD 15,565; however, we have failed to hold above the intraday 200-period MA (USD 15,445). We are below the EMA resistance band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 15,450 with the RSI at or below 47 will mean price and momentum are aligned to the sell side; likewise, a close above this level with the RSI at or above 51.5 will mean it is aligned to the buy side. 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 futures have closed back below the intraday 200-period MA; if we hold below it we target the weekly pivot level at USD 15,269. A close below this level on the daily chart will weaken the technical further, warning support levels could come under further pressure. Likewise, a close back above the 200-period MA will indicate that market buyers are supporting price. The futures remain at an inflection point, we still need to see if this is a true rejection of the average to signal technical weakness.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	1,951	R1	1,976	1,965	RSI below 50
S2	1,946	R2	2,006		
S3	1,935	R3	2,009		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (48)
- Stochastic overbought
- Price is below the daily point USD 1,976
- Technically bearish yesterday, the futures were failing to hold below the intraday 200-period MA (USD 1,950), warning there remained an underlying support in the market. The bullish rejection candle on the daily chart previously had resulted in price moving higher, meaning the USD 2,006 resistance remained vulnerable at that point. For downside continuation we will need to see a daily close below the USD 1,942 low from Friday.
- The futures traded to a high of USD 1,985 before selling lower in the Asian day session. We are below the EMA resistance band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 1,976 with the RSI at or below 44 will mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is aligned to the buy side. Upside moves that fail at or below USD 2,006 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, if price and momentum become aligned to the sell side, then we target the intraday 200-period MA at USD 1,951. A close below the average will warn that the USD 1,942 fractal support could be tested and broken; conversely, market sellers should be cautious if the average holds, as it will indicate that there is an underlying support in the market. We are seeing weakness on the open, and the technical is bearish, but we need to see further downside to convince that the USD 1,915 and USD 1,837.5 fractal support levels could be tested and broken.

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