



# Base Morning Technical Report

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(Bloomberg) -- Aluminum retreated from the highest close in three months as Chinese inventories rose in a sign of weakening demand in the top metals market.

Stockpiles of aluminum ingot expanded 3.3% to 464,000 tons between Thursday and Monday, rebounding from the lowest level since January, according to data from Shanghai Metals Market.

Aluminum rod inventories were also building amid weaker summer demand from manufacturers and waning front-loading of exports orders, said Xue Tao, an analyst with Soochow Futures Co. But overall, stockpiles were relatively low for this time of year, limiting the downside in prices, she added.

The drop in prices came after they spiked on Monday as the conflict in the Middle East fueled concerns around disruptions to local supplies, accounting for almost 9% of the world's aluminum. Tensions have now eased after President Donald Trump announced Israel and Iran had agreed to a ceasefire.

Aluminum dropped 1% to \$2,562 a ton on the London Metal Exchange as of 10:35 a.m. in Shanghai. Prices closed at \$2,588.50 on Monday, the highest since March 26.

Iron ore fell 0.3% to \$93.60, while yuan-priced futures on the Dalian exchange also declined. Shanghai steel future contracts, including rebar and hot-rolled coil, slipped.

--With assistance from Kath

# Copper Morning Technical (4-hour)



	Support		Resistance	Current Price	Bull	Bear
S1	9,654	R1	9,712	9,682.5	RSI above 50	Stochastic overbought
S2	9,595	R2	9,731.5			
S3	9,568	R3	9,809.5			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (52)
- Stochastic is overbought
- Price is above the daily pivot point USD 9,654
- Technically bullish but in a corrective phase on Thursday, the MA on the RSI had weakened alongside price. We noted that a close above the high of the last dominant bear candle (USD 9,682.5) would imply that buyside pressure was increasing, warning the USD 9,731.5 resistance could come back under pressure. We were seeing an increase in sell side pressure, as the futures were trading below the low of the last two daily rejection candles; if we closed below the low of the last daily dominant bull candle (USD 9,611.5), it would warn that trend support at USD 9,561 could be tested and broken. The daily upside rejection suggested that support was starting to look vulnerable.
- The futures sold to a low of USD 9,558.5 before holding trend support (USD 9,568) and moving higher. 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 9,654 with the RSI at or below 46.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 9,712.5 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Intraday price action is neutral have broken key resistance and support in recent days. The MA on the RSI implies that momentum is supported, with price holding trend support on a high volume candle. The daily technical is bullish with a neutral bias; however, for upside continuation, we will need to see a close that holds above the USD 9,731.5 fractal resistance. If we do, then the USD 9,809.5 high could be tested and broken. A close that holds below trend support (USD 9,568), will indicate that sell side pressure is increasing.

# Aluminium Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	2,559	R1	2,596	2,562	RSI above 50	Stochastic overbought
S2	2,515	R2	2,654.5			
S3	2,502	R3	2,690			

Source Bloomberg

## Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (57)
- Stochastic is overbought
- Price is below the daily pivot point USD 2,596
- We noted previously that the Elliott wave cycle was bearish with a neutral bias, meaning the probability of price trading to a new low had decreased. The futures were in divergence whilst finding resistance at the daily 200-period MA (USD 2,556); however, we did have the dominant high volume candle indicating bid support. We were cautious on moves higher at those levels, but for downside continuation we needed to see a close on the 4-hour candle below USD 2,521.
- The futures spiked higher due to the events in the Middle East on Monday; however, the upside move is struggling to hold at this point. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 2,596 with the RSI at or below 57 will mean price and momentum are aligned to the sell side; likewise, a close above this level with the RSI at or above 61.5 will mean it is aligned to the buy side. Downside moves that hold at or above USD 2,471 will support a bull argument, below this level the technical will be back in bear territory.
- The futures remain above the trend support line (USD 2,476) with price making higher highs and higher lows; however, the longer-term Elliott wave cycle remains bearish with a neutral bias. Having seen an upside rejection candle on the open on Monday, the futures have seen above average volume candle whilst the RSI is at resistance, resulting in a small move lower. Price is now testing but remains above the daily 200-period MA (USD 2,559), meaning we are at an inflection point. A daily close that holds below the MA will warn that trend support could come under pressure; conversely, if we hold support, the futures will need to close and hold above the high of the high volume candle (USD 2,595). If we do, then the USD 2,564.5 fractal high could be tested. Focus should be on the 200-period MA, the RSI looks to be rejecting resistance on high volume, meaning we are cautious on higher moves, unless we see a close above that holds above the USD 2,595 level.

# Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,690	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

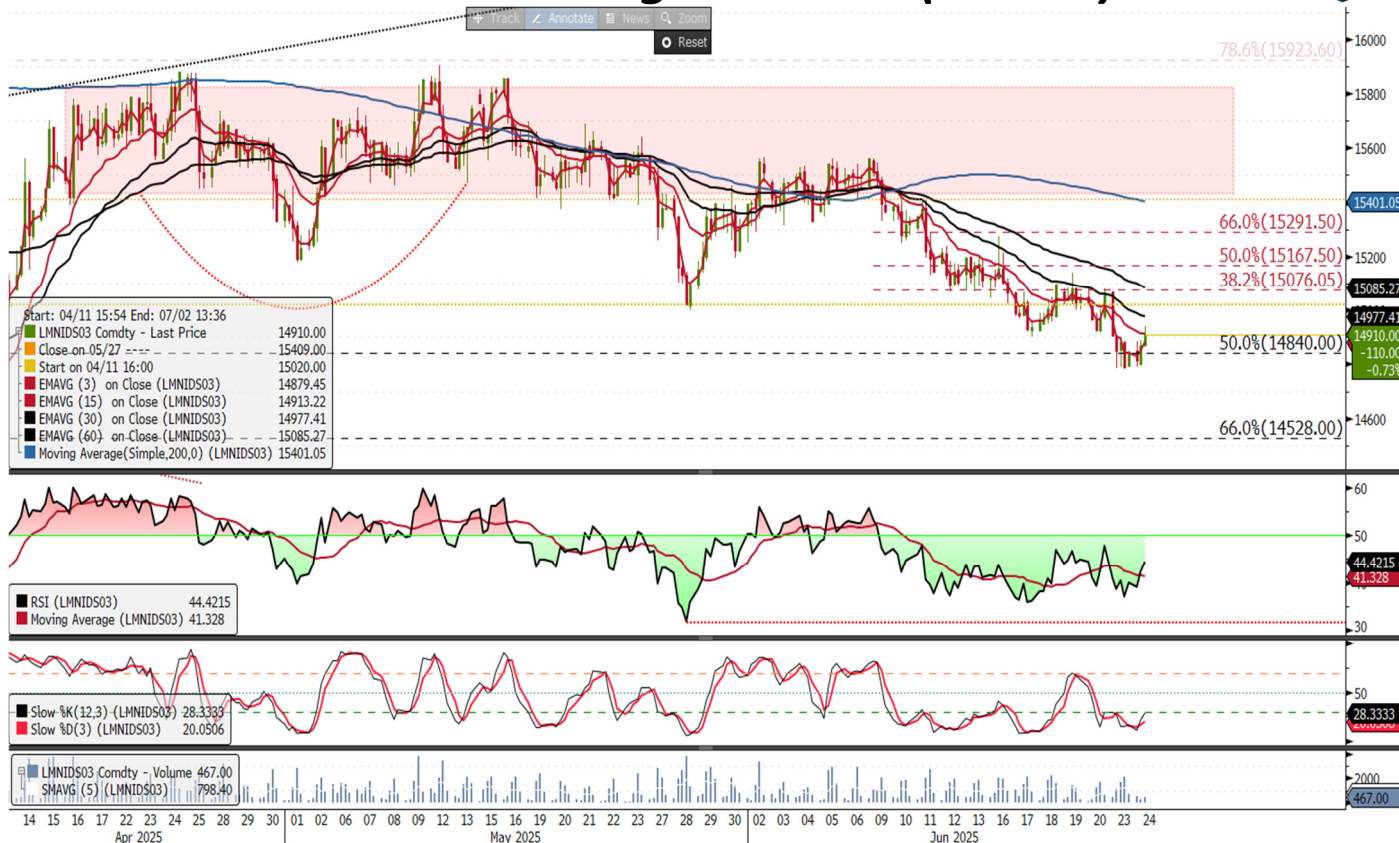
Source Bloomberg

## 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 2,668
- Technically bearish last week, the futures consolidated around the USD 2,636 level into the close previously, before selling lower. We had rejected the 200-period MA (USD 2,664) and closed below the linear regression line, indicating technical weakness, suggesting support levels could come under pressure. For upside continuation, the futures will need to close and hold above the 200-period MA.
- The futures traded to a low of USD 2,613 before finding bid support; however, price moved higher on Monday due to the events over the weekend, resulting in the future closing above the intraday 200-period MA (USD 2,664). 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 2,668 with the RSI at or below 50.5 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 2,701 will leave the futures vulnerable to further tests to the downside, above this level will imply buy side pressure is increasing, warning the USD 2,763.5 fractal high could come under pressure.
- The longer-term Elliott wave cycle remains bearish below USD 2,831; however, near-term price action is making higher highs and higher lows, warning the USD 2,701 resistance could be tested and broken. If it is, it will signal buy side pressure is increasing, meaning we will run the linear regression lines from the USD 2,582 low. The MA on the RSI implies momentum is supported, whilst volume is increasing on the move higher, price is also above the intraday 200-period MA. Technically, resistance levels are looking vulnerable at this point, for downside continuation, price will need to close below the low of the dominant bull candle on the daily chart (USD 2,628).



# Nickel Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	14,884	R1	15,076	14,910	Stochastic oversold	RSI below 50
S2	14,840	R2	15,167			
S3	14,558	R3	15,291			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (44)
- Stochastic is oversold
- Price is above the daily pivot point USD 14,884
- Technically bearish on the previous report, the MA on the RSI was showing light momentum support. Price was moving higher on the positive divergence with the RSI, meaning we remained cautious on moves lower, as they could struggle to hold. As noted previously, upside moves above the intraday fractal resistance (USD 15,275) would indicate that the lower timeframe bearish Elliott wave cycle had completed, leaving resistance levels vulnerable.
- The futures traded to a high of USD 156,140 before resecting the EMA resistance band, resulting in price selling lower. We are below all key moving averages supported by the RSI below 50, intraday price and momentum are conflicting, as the previous candle closed below the daily pivot level.
- A close on the 4-hour candle below USD 15,026 with the RSI at or below 39 will mean price and momentum are aligned to the sell side; likewise, a close above this level with the RSI at or above 43.5 will mean it is aligned to the buyside. Downside moves that hold at or above USD 14,558 will support a bull argument, below this level the technical will be back in bearish territory.
- Technically bearish, the futures continue to come under pressure at this point. However, we remain in divergence with the RSI; not a buy signal, it is a warning that we could see a momentum slowdown, meaning we are cautious on lower moves at these levels. Upside moves above USD 15,140 will warn that the lower timeframe corrective cycle may have completed, leaving resistance levels vulnerable.

# Lead Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	2,001	R1	2,024	2,016.5	RSI above 50	Stochastic overbought
S2	1,988	R2	2,039			
S3	1,979	R3	2,094			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (63)
- Stochastic is overbought
- Price is above the daily point USD 2,001
- The futures remain neutral on the last report with directional bias come from a close outside the dominant bear candle (USD 1,957—USD 2,009). Price had held the 200-period MA, implying there was an underlying support in the market.
- Having held the 200-period MA the futures have traded to new highs; however, we are yet to see a daily close above the USD 2,006 level. 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 2,001 with the RSI at or below 53 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 1,967 will support a bull argument, below this level the technical will be back in bearish territory.
- The longer-term Elliott wave cycle remains bearish with a neutral bias. However, price is making intraday higher highs and lows, having held the 200-period MA, implying resistance levels are vulnerable. The MA on the RSI indicates that momentum is supported, but we are yet to see a daily close above the high of the last dominant daily bear candle (USD 2,009). If we do, then it will support a buyers argument. Conversely, failure to close above the 2,009 level will mean the technical remains neutral.