Base Morning Technical Report

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US

(Bloomberg) -- Four months after Donald Trump shocked the world and roiled markets by unveiling a placard full of tariff rates at the White House Rose Garden, his revisions unveiled Thursday generated a more subdued response among investors.

But at an average of 15%, the world is still facing some of the steepest US tariffs since the 1930s, roughly six times higher than they were a year ago. Trump's latest volley outlined minimum 10% baseline levies, with rates of 15% or more for countries with trade surpluses with the US.

So far, the global economy has held up better than many economists expected after Trump's initial tariff blitz. A rush to beat the elevated rates spurred a front-loading of exports, aiding many Asian economies and shielding US consumers from price spikes.

That could all be about to change.

"For the rest of the world, this is a serious demand shock," Raghuram Rajan, former India central bank governor and chief economist of the International Monetary Fund, who is now a professor at the University of Chicago Booth School of Business, told Bloomberg TV on Friday. "You will see a lot of central banks contemplating cutting as the rest of the world slows somewhat in the face of these tariffs."

Copper Morning Technical (4-hour)

Support		Resistance		Current Price	Bull	Bear
S1	9,607	R1	9,666	9,619	Stochastic Oversold	RSI below 50
S2	9,558	R2	9,680			
S3	9,535	R3	9,714			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- The RSI below 50 (36)
- Stochastic is overbought
- Price is below the daily pivot point USD 9,666
- Bearish with a neutral bias on the Elliott wave cycle on the 22/07, the probability of the futures trading to a new low had started to decrease. The MA on the RSI implied that momentum was supported; however, the futures were finding resistance two standard deviations above the linear regression line, implying we could be a little overextended to the upside in the near-term. The futures had bull support candles within the consolidation phase, and on the move higher, key resistance had been broken whilst price was above the 200-period MA (USD 9,711). With evidence of market support at lower levels, corrective moves had the potential to be countertrend, making USD 9,688 the key Fibonacci support to follow. We noted that if we did closed below the low of the last dominant bull candle (USD 9,749.5), then it would will indicate that sell side pressure was increasing, warning the USD 9,688 level could be tested.
- We sold to a low of USD 9,823 on the 22/07 before trading to a high of USD 9,965. We have since entered a corrective phase with the futures now in bearish territory. 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 9,666 with the RSI at or above 41.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 9,759 will leave the futures vulnerable to further tests to the downisde, above this level the technical will have a neutral bias.
- Technically bearish, the MA on the RSI implies that momentum is weak, warning the USD 9,571.5 fractal low could be tested and broken. However, below this level the futures will be in divergence with the RSI. Not a sell signal, it is a warning that we could see a momentum slowdown, meaning we are cautious on downisde breakouts below this level. Whilst above USD 9,571.5, intraday upside moves should in theory be considered as countertrend, based on our lower timeframe Elliott wave analysis.

Aluminium Morning Technical (4-hour)

Support		Resistance		Current Price	Bull	Bear
S1	2,588	R1	2,574	2,568	Stochastic oversold	RSI below 50
S2	2,513	R2	2,578			
S3	2,471	R3	2,600			

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (33)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,578
- Technically bullish in the last report on the 22/07, the MA on the RSI implied that momentum was supported. We noted that like Copper, downside support had held on above average volume candles, as had the upside move that followed, implying there was an underlying support in the market. Faster moving intraday momentum (6-period RSI) had pulled back to 63 due to the consolidation that we are seeing, it was still high, but no longer overbought. Downside moves that held and closed below the linear regression line (USD 2,620) would indicate that sell side pressure was increasing, warning the USD 2,589 support could be tested. If broken, then the probability of price trading to a new high would start to decrease. We were consolidating, buyside pressure had eased, if price and momentum became aligned to the sell side, then the futures would be vulnerable to an intraday corrective pullback.
- We traded to a high of USD 2,664.5 before entering a corrective phase. We are now 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 2,578 with the RSI at or above 39.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,629 will leave the futures vulnerable to further tests to the downside, above this level the technical will be back in bullish territory.
- Technically bullish but with a neutral bias, the probability of the futures trading to a new high has tarted to decrease. The MA on the RSI implies momentum is weak, warning the USD 2,558 fractal support could be tested and broken. If it is, then the technical will be in bearish territory. Lower timeframe Elliott wave analysis suggests that intraday upside moves should be considered as countertrend, making USD 2,629 the key resistance to follow. However, we do have a note of caution on downisde breakouts below USD 2,561, as price will be in divergence with the RSI, warning we could struggle to hold below this level in the very near-term.

Zinc Morning Technical (4-hour)

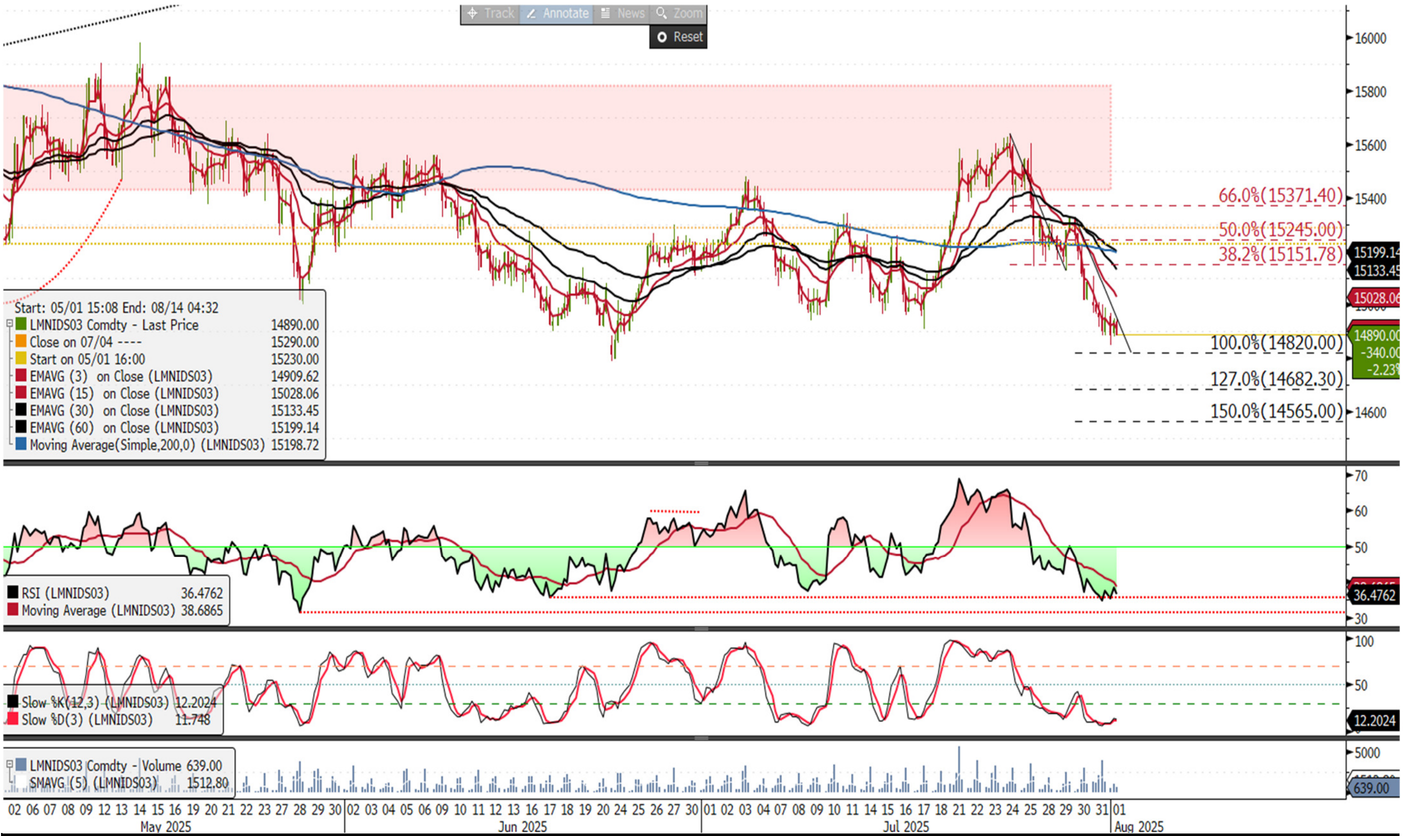
Support		Resistance		Current Price	Bull	Bear
S1	2,729	R1	2,769	2,734.5	Stochastic oversold	RSI below 50
S2	2,719	R2	2,790			
S3	2,676	R3	2,807			

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (33)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,769
- Technically bullish on the last report (22/07), the futures were moving lower on an intraday upside rejection candle which was two standard deviations above the linear regression line, warning support levels could come under pressure in the near-term. However, lower timeframe Elliott wave analysis suggested that downside moves should be considered as countertrend, making USD 2,744 the key support to follow. If broken, then the probability of price trading to a new high would start to decrease.
- The futures did enter a corrective phase; however, we have traded below the USD 2,744 level, meaning the bullish Elliott wave cycle now has a greater chance of failing. Price is 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 2,769 with the RSI at or above 43 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,830 will leave the futures vulnerable to further tests to the downside, above this level the technical will be back in bullish territory.
- Technically bullish but with a neutral bias, the probability of the futures trading to a new high has started to decrease. The MA on the RSI implies that momentum is weak, whilst the lower timeframe Elliott wave cycle (based on the corrective move lower) is suggesting intraday upside moves should be considered as countertrend, making USD 2,830 the key resistance to follow. However, the futures are trading two standard deviations below the linear regression line, whilst we have the intraday 200-period MA at USD 2,729, warning price is looking vulnerable to an intraday upside move in the very near-term.

Nickel Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	14,820	R1	14,977	14,890	Stochastic oversold	RSI below 50
S2	14,682	R2	15,151			
S3	14,565	R3	15,198			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (36)
- Stochastic is oversold
- Price is below the daily pivot point USD 14,977
- Technically bullish in the previous report on the 22/07, the MA on the RSI implied that momentum was supported, warning the USD 15,585 fractal high remained vulnerable in the near-term; however, we noted that we should monitor an upside breakout, as there was a chance that we could be in divergence. Having completed the downside cycle; Elliott wave analysis suggested that downside moves should be considered as countertrend.
- The futures traded to a high of USD 15,640 but the move failed to hold due to the divergence, resulting in price entering a corrective phase. The pullback has been deeper than expected, meaning the intraday technical is now bearish. 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 14,977 with the RSI at or above 41 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 15,371 will warn that there could be a larger, bearish Elliott wave cycle in play.
- Technically bearish, the MA on the RSI implies that momentum is weak; however, the RSI is now testing a support zone, implying caution on downside moves in the near-term. We also note that the 1-hour RSI is divergence with price, warning sell side momentum could soon slow down. Due to the divergence and RSI support, we are cautious on downside moves at these levels, as the technical suggests that they could struggle to hold.

Lead Morning Technical (4-hour)

Support		Resistance		Current Price	Bull	Bear
S1	1,959	R1	1,976	1,963	Stochastic oversold	RSI below 50
S2	1,937	R2	1,991			
S3	1,909	R3	2,001			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (30)
- Stochastic is oversold
- Price is below the daily point USD 1,976
- Technically bearish with a neutral bias on the previous report on the 22/07, the MA on the RSI implied that momentum was supported. We had highlighted previously that for downside continuation the futures would need to close below the low of the last dominant bull candle (USD 1,977), making this the key support to follow. If we closed and held above the intraday 200-period MA (USD 2,006), it would warn that resistance levels were vulnerable. Likewise, a close that held below the daily 200-period MA (USD 2,001) would strengthen a seller's argument. We remained at an inflection point, and maintained a neutral bias.
- The futures closed above the intraday 200-period MA on the 22/07 before consolidating above it until 30/07, resulting in the futures trading above the USD 2,035 resistance. However, the futures have since closed below the average and sold lower. 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 1,976 with the RSI at or above 39.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,014 will leave the futures vulnerable to further moves to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the MA on the RSI implies that momentum remains weak. The RSI is testing support whilst the 1-hour RSI is divergent, meaning we are cautious on downisde moves at these levels. However, lower timeframe Elliott wave analysis suggests that upside moves should be considered as countertrend, making USD 2,014 the key resistance to follow.