



Base Morning Technical Report

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(Bloomberg) -- Copper prices held steady as the market weighed a fresh supply disruption in Peru against the Federal Reserve's path on interest rates.

Hudbay Minerals Inc. said it was shutting operations at a mill at its Constancia mine due to political protests. The demonstrations have disrupted mining activity in Peru for several months, and Hudbay said it would use the downtime for maintenance.

Concerns over global copper supplies, a metal crucial to green and high-tech manufacturing, have grown this year. The MMG Ltd.-owned Las Bambas mine, which has often been a focal point for Peruvian protesters, hasn't been affected, according to an email from the company.

On the macro front, copper's "lackluster movement" has been influenced by Fed Chair Jerome Powell's balanced tone in a speech on Tuesday, which gave no hint as to whether he might support another rate cut at the central bank's next meeting in October, said Kelvin Wong, a senior market analyst at broker Oanda. Lower rates typically lift demand for commodities. Copper on the London Metal Exchange was flat at \$9,975 a ton at 10:33 a.m. in Hong Kong. Other metals were steady to slightly lower.

Copper Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	9,973		
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- The RSI below 50 (47)
- Stochastic is below 50
- Price is above the daily pivot point USD 9,985
- Technically bullish yesterday, the futures remained in a corrective phase with price below the trend and linear resistance lines (USD 10,057—USD 10,068). Intraday Elliott wave analysis continued to suggest that downside moves should in theory be countertrend, making USD 9,847 the key support to follow. Below this level the probability of the futures trading to a new high would start to decrease. A close that held above the USD 10,068 level would imply buyside pressure is increasing, leaving the USD 10,098 vulnerable; if broken, market buyer's would look to target the USD 10,192.5 fractal high.
- The futures tested but failed to trade above the EMA support band yesterday, resulting in a small move lower on the open. The RSI is below 50 with price and momentum and momentum conflicting, as the previous candle closed above the daily pivot level.
- A close on the 4-hour candle above USD 9,985 with the RSI at or above 51 will mean price and momentum are aligned to the buyside. Likewise, a close below this level with the RSI at or below 46.5 will mean it is aligned to the sell side. Downside moves that hold at or above USD 9,847 will support a bull argument, below this level the technical will have a neutral bias.
- Unchanged on the technical this morning, the technical remains bullish but in a corrective phase with price below the linear and trend resistance lines (USD 10,070—USD 10,078). Elliott wave analysis continues to suggest that downside moves should be considered as countertrend, making USD 9,847 the key support to follow; below this level, the probability of the futures trading to a new high will start to decrease. As noted previously, for upside continuation the futures will need to close and hold above the USD 10,078 level, and trade above the USD 10,098 Fibonacci resistance.

Aluminium Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	2,633	R1	2,642	2,641	Stochastic oversold	RSI below 50
S2	2,616	R2	2,666			
S3	2,613	R3	2,676			

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (41)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,642
- Bullish but in a corrective phase yesterday, the MA on the RSI implied that momentum remained weak. Our Elliott wave analysis continued to suggest that downside moves should be considered as countertrend; however, we noted that if we traded below the USD 2,633 level, then the probability of price trading to a new high would start to decrease. A close that held above the linear regression line (USD 2,684) would imply buy-side pressure was increasing, whilst a move above USD 2,691 would leave the USD 2,720 fractal resistance vulnerable. Momentum remained weak, warning the USD 2,633 support could still come under pressure; however, below this level the futures would be divergent with the 1-hour RSI, meaning we had a note of caution on moves below this level.
- The futures traded down to but held the USD 2,633 level. We are below the EMA support band with the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,642 with the RSI at or above 46.5 will mean price and momentum are aligned to the buy-side. Downside moves that hold at or above USD 2,633 will support a bull argument, below this level the technical will have a neutral bias.
- We remain bullish but in a corrective phase, the MA on the RSI continues to suggest that momentum remains weak, warning the USD 2,633 support is still vulnerable. Below this level the probability of price trading to a new high will start to decrease; however, this will also create a positive divergence on the 1-hour timeframe, meaning we are cautious on moves below this level. Elliott wave analysis continues to suggest that downside moves look to be countertrend.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,878	R1	2,881	RSI below 50	
S2	2,852	R2	2,907		
S3	2,838	R3	2,951		

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (43)
- Stochastic is below 50
- Price is below the daily pivot point USD 2,881
- Technically bullish but in a corrective phase yesterday, the MA on the RSI was flat, implying momentum was neutral. Elliott wave analysis suggested that downside moves should be considered as countertrend, whilst a move below USD 2,878 would create a positive divergence with the RSI. Not a buy signal, it warned that we could see a momentum slowdown, which needed to be monitored. Upside moves that closed and held above the linear regression line (USD 2,911) would imply buy-side pressure is increasing, warning the USD 2,690 resistance could come under pressure. If rejected, it would signal a more complex corrective phase, meaning we could see another test to the downside. Conversely, if broken, market buyers would look to test the USD 3,003.5 fractal resistance. Due to the divergence below USD 2,878, we are cautious on downside breakouts below this level.
- The futures sold to a low of USD 2,852; however, the move failed to hold due to the divergence in play. We are below the EMA support band with the RSI below 50, intraday price and momentum are conflicting, as the previous candle closed above the daily pivot level.
- A close on the 4-hour candle above USD 2,881 with the RSI at or above 46.5 will mean price and momentum are aligned to the buy-side; likewise, a close below this level will mean it is aligned to the sell side. Downside moves that hold at or above USD 2,838 will support a bull argument, below this level the technical will have a neutral bias.
- We remain bullish but in a corrective phase with Elliott wave analysis suggesting downside moves should be considered as countertrend, making USD 2,838 the key support to follow; if broken, then the probability of price trading to a new high will start to decrease. The failed breakout yesterday on the divergence has created a bullish rejection candle, meaning we continue to be cautious on downside moves. As highlighted yesterday, upside moves that fail at or below USD 2,951 will warn that there could be a more complex corrective phase in play, above this level market buyers will look to target the USD 3,003.5 fractal high.

Nickel Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	15,320	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (52)
- Stochastic is overbought
- Price is above the daily pivot point USD 15,296
- Bearish with a neutral bias yesterday, we noted that the move lower in the Asian day session had failed to hold below the 200-period MA (USD 15,196). The intraday 1-hour RSI was divergent, warning sell side momentum could slow, whilst the 4-hour candle had produced a long legged Doji, signaling indecision in the market. The deep pullback meant that the probability of the futures trading to a new high had started to decrease; however, we were seeing signs of momentum support, warning we could see an intraday move higher, making USD 15,407 the key resistance to follow. Above this level the technical would be back in bull territory; however, if rejected, it would imply that there was a more complex corrective phase in play. We were cautious on downside moves yesterday due to the lower timeframe divergence and the indecision candle.
- The futures traded to a high of USD 15,375 before seeing a small pullback in the Asian day session. We are above the EMA support band with the RSI above 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 15,296 with the RSI at or below 46 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 15,407 will leave the futures vulnerable to further tests to the downside, above this level the technical will be back in bullish territory.
- We remain bearish with a neutral bias having held above the 200-period MA (USD 15,200) on the positive divergence. Due to the depth of the pullback, the probability of the futures trading to a new high has started to decrease; however, price is currently holding above the EMA support band. If we trade above USD 15,335, it will warn that we could be looking at a failed swing low, warning the USD 15,407 level could be tested and broken. If it is, then the futures will be back in bullish territory. Conversely, if rejected, it will indicate that we are looking at a more complex corrective phase.

Lead Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	1,997	R1	2,007	1,999		RSI below 50
S2	1,989	R2	2,020			
S3	1,982	R3	2,023			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA support band (Black EMA's)
- RSI is below 50 (49)
- Stochastic is overbought
- Price is below the daily point USD 1,997
- Technically bullish but in a corrective phase yesterday, the MA on the RSI implied that momentum remained weak, warning the USD 1,998 support could be tested and broken. Below this level, the probability of the futures trading to a new high would start to decrease. However, we noted that market sellers should be cautious if we breached the support but saw a daily close above the daily 200-period MA (USD 1,989), as it would warn that there is an underlying support in the market. We had a neutral view yesterday, as price was at an inflection point.
- The futures sold below the USD 1,988 support; however, we failed to close below the daily 200-period MA (USD 1,989). We are between the EMA support band with the RSI near-neutral at 49. Intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 1,997 with the RSI at or below 52 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,007 will leave the futures vulnerable to further tests to the downside, above this level the technical will be back in bullish territory.
- Bullish but with a neutral bias, the probability of the futures trading to a new high has started to decrease. However, we have a bullish rejection candle whilst price has closed back above the daily 200-period MA, warning there is an underlying support in the market, leaving the USD 2,007 resistance vulnerable. The technical continues to conflict, the pullback indicates that the probability of the futures trading to a new high has decrease; the technical is warning of underlying support. Although our bias is neutral, we do lean to caution on downside moves at this point.