



Base Morning Technical Report

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

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(Bloomberg) London-listed Glencore is among parties vetting BHP's nickel assets in Western Australia, as the \$200 billion-plus miner seeks to offload the liability-ridden unit amid a slump in group profits and a burgeoning threat to its iron ore exports to China.

Street Talk understands Glencore's internal M&A team is working through early due diligence materials prepared by BHP on its Nickel West and West Musgrave operations, after sell-side advisers UBS and Macquarie Capital opened the data room late last month.

Sources said suitors have been told BHP will accept bids for Nickel West, which was mothballed last year after a global glut of supply, and West Musgrave, a development asset – separately or together. Of note, Nickel West which is a sprawling operation with mines, a smelter, a refinery and concentrators is being sold as a single package.

Copper Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	10,287.5	RSI above 50	
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (55)
- Stochastic is below
- Price is below the daily pivot point USD 10,320
- Technically bullish yesterday with momentum suggesting downside moves should be considered as countertrend. The move above the USD 10,376 resistance previously warned that the USD 10,485 fractal high could be tested and broken. However, above this level the futures would be in divergence with the RSI, not a sell signal, it warned that we could see a momentum slowdown, which needed to be monitored. Bullish, the fractal high was vulnerable, above this level we will have a note of caution due to the divergence.
- The futures sold lower yesterday but we remain above 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 10,320 with the RSI at or above 62 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 10,115 will support a bull argument, below this level the technical will have a neutral bias.
- Unchanged on the technical today, the momentum spike alongside price on the 24/25th of Sep suggests that downside moves should be countertrend, making USD 10,115 the key support to follow. Below this level the probability of the futures trading to a new high will start to decrease. Conversely, upside moves above the USD 10,485 fractal high will create a negative divergence with the RSI; not a sell signal, it is a warning we could see a momentum slowdown on an upside breakout, this will need to be monitored.

Aluminium Morning Technical (4-hour)



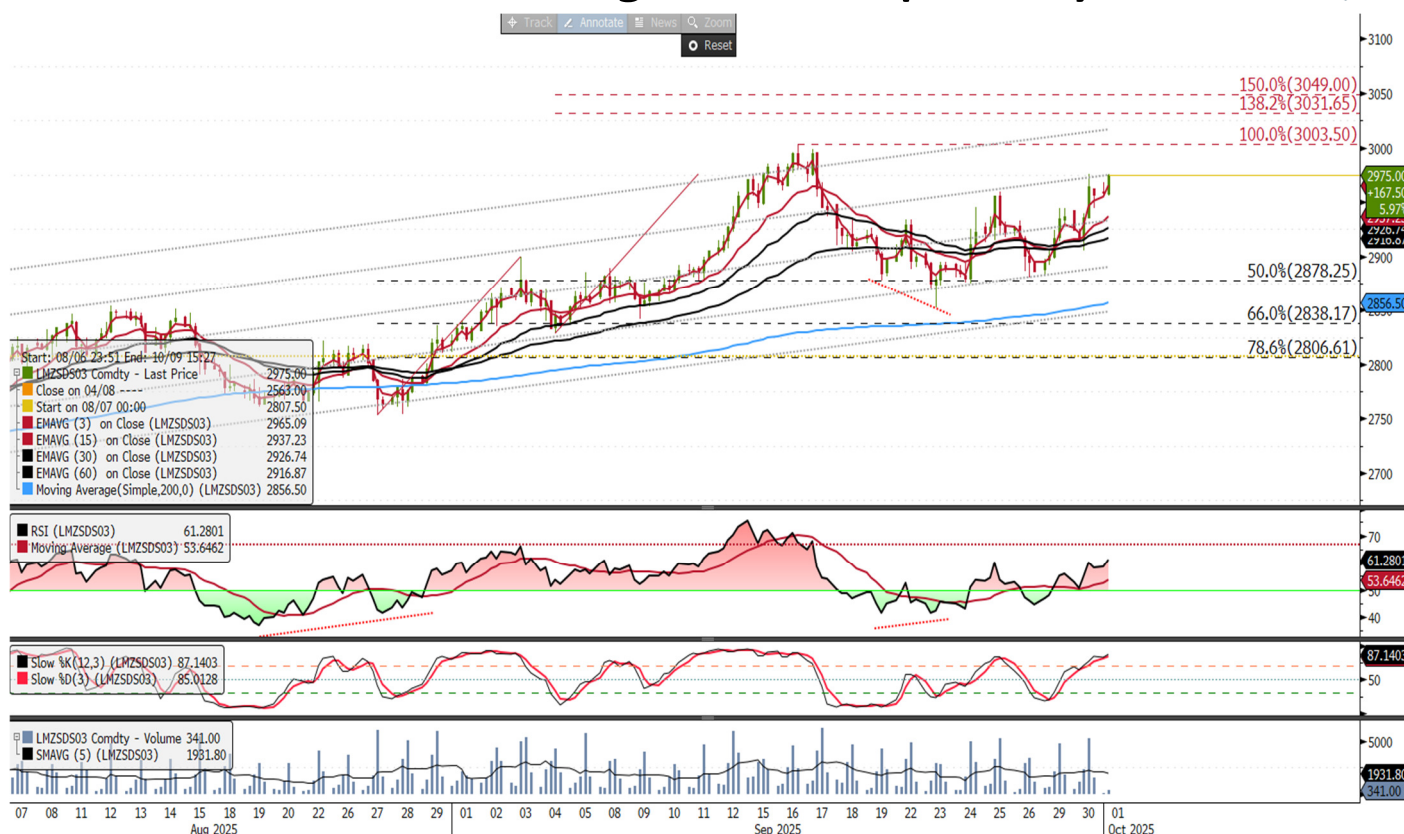
Support		Resistance		Current Price	Bull	Bear
S1	2,677	R1	2,694	2,691	RSI above 50	Stochastic overbought
S2	2,654	R2	2,699			
S3	2,633	R3	2,720			

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (58)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,677
- Technically the futures remained bearish yesterday having failed to trade above the USD 2,688 level previously. We had seen a small pullback from key resistance on a high volume candle, meaning we had a note of caution whilst below the USD 2,688 level. However, for upside continuation, we would need to close and hold above the linear regression line (USD 2,692). We noted previously that the downside move looked like it may have completed, due to the upside rejection, the technical suggested caution on moves higher in the near-term, unless we closed and held above the USD 2,692 level.
- The futures have closed above the high volume rejection candle, we are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 2,677 with the RSI at or below 51.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,633 will support a bull argument, below this level the technical will be back in bearish territory.
- Technically bearish with a neutral bias, the probability of the futures trading to a new low has started to decrease. The MA on the RSI implies that momentum is supported, whilst price has closed above the high of the above average volume rejection candle. However, for upside continuation, we will need to close and hold above the linear regression line (USD 2,694), failure to do so will warn that the weekly pivot level at USD 2,654 could come under pressure. A daily close below this level will indicate that sell side pressure is increasing, as price will also be below the USD 2,661.5 fractal support.

Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,947	3,003.5	
S2	R2	2,900	3,031	
S3	R3	2,878	3,049	

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (61)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,947
- Technically bullish with downside moves considered as countertrend yesterday. The pullback meant that price had closed below the linear regression line (USD 2,627); we noted that for upside continuation we would need to close and hold above this level. Failure to do so, would leave support levels vulnerable. As noted yesterday, we had the 200-period MA at USD 2,850, whilst USD 2,843 was two standard deviation below the linear regression line, with key support at USD 2,838. Technically, we would be cautious on downside moves if the support area was tested, as it would suggest the futures would start to look overextended to the downside. USD 2,627 was the key resistance to follow, the futures would need to move and hold above this level to move higher, we maintained a cautious view on downside moves at this point.
- The futures closed above the USD 2,627 level resulting in price moving higher. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 2,947 with the RSI at or below 51.5 will mean price and momentum are 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.
- Technically bullish, the MA on the RSI implies that momentum is supported, whilst price is moving higher on above average volume. As noted previously, our Elliott wave analysis suggests that downside moves should be considered as countertrend, whilst the volume and momentum support are warning that the USD 3,003.5 fractal high could be tested and broken. As noted previously, we have the 200-period MA at USD 2,856, whilst USD 2,848 is two stdv below the linear regression line, with key support at USD 2,838, implying caution on corrective moves lower around this area.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	15,203	R1	15,265		RSI below 50
S2	15,157	R2	15,387		
S3	15,055	R3	15,535		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (47)
- Stochastic is below 50
- Price is on/below the daily pivot point USD 15,246
- We remained bullish with a neutral bias yesterday, the MA on the RSI continued to warn of momentum weakness. We had a note of caution previously due to price breaching the USD 15,160 fractal support, whilst the RSI had made new lows, warning moves higher could struggle to hold. The upside failure previously continued to suggest that support levels are vulnerable, meaning we maintained a note of caution on upside moves in the near-term.
- The futures have entered a symmetrical triangle, 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 above USD 15,246 with the RSI at or above 49.5 will mean price and momentum are aligned to the buy side; likewise, a close below this level with the RSI at or below 45 will mean it is aligned to the sell side. Upside moves that fail at or below USD 15,387 will leave support levels vulnerable, above this level the technical will be back in bullish territory.
- Technically, we are bullish with a neutral bias; however, the symmetrical triangle indicates that price action is neutral, meaning directional bias will come from a close that holds outside of the pattern (USD 15,265—USD 15,203). As highlighted previously, the momentum low and the breach in the USD 15,160 support does warn that upside breakouts could struggle to hold.

Lead Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	1,988	R1	1,995	1,994.5	Stochastic oversold	RSI below 50
S2	1,982	R2	2,012			
S3	1,972	R3	2,020			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (47)
- Stochastic is oversold
- Price is above the daily point USD 1,991
- The futures remained technically bullish yesterday with price holding above the USD 1,998 level. The MA on the RSI implied that momentum was weak, meaning the USD 1,988 level remained vulnerable; if broken, then the probability of price trading to a new high would start to decrease. However, failure to close below this level would leave resistance levels vulnerable, as this was also the daily 200-period MA. With price continuing to trade around the daily average, price action was considered as neutral.
- The futures traded to a low of USD 1,983 before reverting back to the daily 200-period MA (USD 1,988). We are below the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 1,991 with the RSI at or below 42.5 will mean price and momentum are aligned to the sell 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 be back in bullish territory.
- Bullish with a neutral bias, the downside move yesterday failed to hold, resulting in price closing on the daily 200-period MA (USD 1,988). The futures are now finding light bid support, making USD 2,006 the key resistance to follow. Whilst above the daily average, resistance levels remain vulnerable. Daily price action is considered as neutral.