



Base Morning Technical Report

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Metals

(Bloomberg) -- Industrial metals extended a muted start to 2025, as investors mulled rising risks for global trade and geopolitics as US President-elect Donald Trump heads to the White House.

Copper, lead and aluminum all fell after Trump on Monday denied a report that his team was planning weaker import tariffs than those aired during his presidential election campaign. His vows to ramp up US protectionism represent a major headwind for commodities this year.

Meanwhile, the US added several top Chinese companies to a blacklist for alleged links to the military, threatening further escalation in US-China tensions even before Trump takes power.

Copper fell 0.4% to \$8,965 a ton on the London Metal Exchange at 10:50 a.m. in Shanghai, while aluminum was also slightly weaker at \$2,485 after posting its lowest close in more than three months. In Singapore, iron ore futures dropped for a fourth day, shedding 0.5% at \$96.10 a ton.

Tepid Chinese demand and the prospect of growing trade turmoil — fueling a strong dollar — carried base metals to a solid decline last quarter. Only copper and tin have eked out gains so far this year.

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,976	R1	9,124	RSI above 50	Stochastic overbought
S2	8,954	R2	9,194		
S3	8,865	R3	9,314		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- The RSI above 50 (59)
- Stochastic is overbought
- Price is above the daily pivot point USD 8,976
- Technically bearish yesterday, the MA on the RSI implied that we had light momentum support. Lower timeframe Elliott wave analysis warned that we still had the potential to have one more test to the downside; however, below USD 8,757, the futures would create a second divergence with the RSI. Not a buy signal, it warned that we could see a momentum slowdown. Technically we were starting to turn neutral, as the bearish wave cycle was showing signs that it could soon exhaust.
- The futures traded up to the 200-period MA (USD 9,067) before producing a bearish rejection candle; however, we are seeing bid support again on this morning. We are above the EMA resistance band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 8,976 with the RSI at or below 46.5 will mean price and momentum are aligned to the sell side. Upside moves that fail to or below USD 9,124 will warn that there is a larger, bearish Elliott wave cycle in play, above this level the technical will have a neutral bias.
- The upside move above USD 9,018.5 means that the futures have broken fractal resistance, based on price action, the intraday technical is now bullish; this also means that the futures are trading above the high of the the lower timeframe Elliott wave 3, suggesting this phase of the bear cycle has completed. However, we remain below the 200-period MA and the USD 9,124 resistance, meaning there are conflicts on the technical, as there is still the potential for a larger bearish Elliott wave cycle. We maintain a neutral bias; the cycle looks like it may have completed. If we trade above the USD 9,124 level, then the probability of the futures trading to a new low will start to decrease, further supporting a buyer's argument.

Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,505	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (43)
- Stochastic is oversold
- Price is above the daily pivot point USD 2,493
- Technically bearish yesterday, the MA on the RSI implied that momentum remained weak. However, Elliott wave analysis suggested we were on a wave 5, warning sell side momentum could soon exhaust, making USD 2,542 the key resistance to follow. If rejected, it would indicate that there was further downside within this cycle; if broken, then the probability of the futures trading to a new low would start to decrease. We were a cautious bear.
- The futures traded to a low of USD 2,477 before finding light bid support, we remain below all key moving averages with the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,493 with the RSI at or below 35.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,541 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the MA on the RSI is now flat, indicating sell side momentum is slowing. As noted yesterday, our Elliott wave analysis suggests we are on a wave 5 of this phase of the cycle, warning sell side momentum could soon exhaust, making USD 2,541 the key resistance to follow. If rejected, it will indicate that there is further downside within this cycle; if broken, then the probability of the futures trading to a new low will start to decrease. We remain a cautious bear.

Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,886	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Source Bloomberg

Synopsis - Intraday

- 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 2,902
- Technically bearish yesterday, the MA on the RSI was starting to flatten, implying sell side momentum was slowing down. However, Elliott wave analysis continued to suggest that upside moves looked like they could be countertrend, making USD 2,996 the key resistance to follow. A cautious bear at these levels, as the futures are vulnerable to a countertrend move higher.
- The futures did see a spike up to USD 2,934; however, the move failed to hold. We remain below all key moving averages supported by the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 2,902 with the RSI at or below 33 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 2,995 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, downside moves below USD 2,872 will create a positive divergence with the RSI. Not a buy signal it does warn that we could see a momentum slowdown, which will need to be monitored. As noted yesterday, Elliott wave analysis continues to suggest that upside moves look like they could be countertrend, making USD 2,995 the key resistance to follow. We remain a cautious bear at these levels as the divergence suggests that downside moves could struggle to hold. If we close back above the daily 200-period MA (USD 2,910), it will warn that we could be about to enter a countertrend move higher.

Nickel Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	15,245		RSI below 50
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 above 50
- Price is above the daily pivot point USD 15,165
- Technically bearish yesterday. Having seen a downside wave extension, the futures had traded to a new low creating a positive divergence with the RSI. Not a buy signal, it warned that we could see a momentum slowdown, which needed to be monitored. We were a cautious bear at these levels.
- We have seen a small move higher but remain 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 15,165 with the RSI at or above 40.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 15,416 will warn that there could be a larger, bearish wave cycle coming into play.
- Technically bearish, the MA on the RSI is implying momentum is supported. As noted previously, due to the futures moving higher on the positive divergence with the RSI, we maintain a note of caution on downside moves.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bull
S1	1,941	1,939.5		RSI below 50
S2	1,915			
S3	1,890			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (44)
- Stochastic is above 50
- Price is below the daily point USD 1,941
- Technically bearish yesterday. We noted that we looked to have had a 5-3-5 (A, B, C) wave pattern lower, implying caution on downside moves at these levels, as the technical could soon exhaust. We also had a positive divergence with the RSI, implying sell side momentum could slow down. Upside moves above USD 2,006 would mean that the intraday technical was bullish; if, however, we failed to trade above USD 2,040, it would warn that there is potentially a larger, bearish wave cycle in play.
- The futures had a small move higher; however, we are now trading back at yesterday morning's levels. We are below the EMA resistance band with the RSI below 50, intraday price and momentum are now conflicting.
- A close on the 4-hour candle below USD 1,941 with the RSI at or below 37.5 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 below USD 1,976 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 today. As noted yesterday, the 5-3-5 pattern lower is warning that the technical could soon exhaust, whilst price is finding light bid support on a positive divergence with the RSI. Upside moves above USD 2,006 will mean that the intraday technical is bullish; if however, we fail to trade above USD 2,040, it will warn that there is potentially a larger, bearish wave cycle in play.

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