FIS

Base Morning Technical Report

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(Bloomberg)
The prospects of a debilitating US-led trade war are starting to weigh on copper futures in London, the go-to global price for one of the world's most important industrial commodities.
The metal — often viewed as a bellwether for growth given its myriad uses, old and new — shed more than 3% in the week's opening two sessions. While it's more or less flat right now, should it weaken for a third day that would be the longest losing run since mid-December.
US trade policy at the moment is less the art of the deal, more the art of the slow reveal. President Donald Trump has been dribbling out details of potential tariffs, targets and possible timelines, keeping investors on edge. As things stand, levies on China, Canada and Mexico may kick in as early as Saturday. There's also a possible so-called universal tariff,
while copper itself has been listed as a product at risk.
Also, within the wider complex, one important item to watch is the emerging disparity between LME copper prices, and those in New York. Tariffs on flows from the US's northern and southern neighbors — if that's what we get — would keep US prices above their global counterpart.

Copper Morning Technical (4-hour)

Support		Resistance		Current Price	Bull	Bear
S1	8,960	R1	9,027	8,982	Stochastic oversold	RSI below 50
S2	8,885	R2	9,120			
S3	8,757	R3	9,165			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- The RSI below 50 (35)
- Stochastic is oversold
- Price is below the daily pivot point USD 9,027
- Technically bearish yesterday, the MA on the RSI implied that momentum was weak, whilst the move lower previously had resulted in the RSI breaking support, suggesting upside moves should be considered as countertrend. We were trading around the 50% retracement level (USD 9,056) from the move that started on the 31/012/24, we also had the 200-period weekly MA at USD 9,014, meaning we were entering a support zone. However, the futures were below the intraday 200-period MA (USD 9,070); for an intraday move higher, we would need to close above and held above the USD 9,070 level, and the high of the last dominant bear candle (current high of most recent dominant bear candle was USD 9,112). We were in a support zone, but the technical suggested that upside moves will struggle to hold.
- The futures failed to produce a bullish intraday close above the 200-period MA yesterday (USD 9,072), resulting in the futures closing below the 200-period weekly MA (USD 9,014). We remain 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 9,027 with the RSI at or above 44.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 9,226 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 continues to suggest that momentum remains weak. Price is now approaching the USD 8,960 Fibonacci support; if broken, the probability of there being a larger, bullish Elliott wave cycle will start to decrease. A close on the 4-hour candle above USD 9,011 will imply that sell side momentum is slowing, leaving the futures vulnerable to an intraday move higher; however, as highlighted previously, upside moves should now be considered as countertrend. If we do trade above the USD 9,226 level, then the probability of the futures trading to a new low will start to decrease.

Aluminium Morning Technical (4-hour)

Support		Resistance		Current Price	Bull	Bear
S1	2,563	R1	2,583	2,569	Stochastic oversold	RSI below 50
S2	2,536	R2	2,616			
S3	2,490	R3	2,633			

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (38)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,583
- Technically bullish yesterday, the futures remained in a corrective phase. We noted that we had a 3-wave pattern lower (Elliott A, B, C), meaning we could soon start to look vulnerable to a move higher, providing we held above the USD 2,563 level; if broken, then the probability of the futures trading to a new high would start to decrease. We'd traded below the previous day's low on the open yesterday, meaning we were less likely to see a bullish breakout on the daily candle, unless we traded above the previous day's high (USD 2,638.5). Elliott wave analysis suggested that downside moves should in theory be countertrend, with price now on wave C, whilst we approached the support zone (Highlighted on chart). In theory, the market should now be on alert for bull signals (which would not happen unless we trade above the USD 2,638.5 level). The elephant in the room was that global markets were reportedly starting to go risk off; any further comments relating to trade from the U.S. administration could push the futures below the USD 2,563 level, into neutral territory. This technical remained corrective whilst approaching a support zone but had not produced bullish price action, meaning it is not yet a technical buy.
- The futures failed to produce bullish price action yesterday, resulting in the futures trading into the support zone. The downside move on the open has breached the USD 2,563 support, meaning the probability of the futures trading to a new high has started to decrease. The futures 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 2,583 with the RSI at or above 46 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,667 will warn that there could be further downside within the corrective phase, above this level the technical will be back in bullish territory.
- Technically bullish with a neutral bias, the MA on the RSI is implying momentum is weak. The breach in the USD 2,563 support means we now have a higher chance of the Elliott wave cycle failing, whilst a move below USD 2,553 will mean the intraday technical is in bearish territory. A close above that holds above the 200-period MA (USD 2,582) will imply that intraday buyside pressure is increasing, warning the Fibonacci resistance zone could come under pressure. However, the deep pullback, alongside the RSI making new lows with price would suggest that intraday upside moves now look like they will be countertrend.

Zinc Morning Technical (4-hour)

Support		Resistance		Current Price	Bull	Bear
S1	2,748	R1	2,794	2,759.5	Stochastic oversold	RSI below 50
S2	2,708	R2	2,809			
S3	2,691	R3	2,847			

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (34)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,794
- Unchanged on the technical yesterday, the upside rejection and deep pullback continued to suggest that the USD 2,807.5 fractal low could be tested and broken. However, we maintained a note of caution on downside breakouts, as the divergence warned that they could struggle to hold.
- The futures did sell below the USD 2,807.5 fractal low; however, the the near-term divergence has failed. 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 2,794 with the RSI at or above 40.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,847 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the downside move yesterday has resulted in the near-term (and lower timeframe) divergences failing, suggesting upside moves now look like they will be countertrend. The futures are approaching the 100% Fibonacci projection level (USD 2,748); a technical pattern (A -B = C – D) which has the potential to act as a near-term support. A close on the 4-hour candle above USD 2,774 will warn that sell side pressure is easing, whilst a close above the daily pivot (USD 2,794) will imply intraday buyside pressure is increasing. If we trade below and close below the USD 2,748 level then we have further support at USD 2,728 (two standard deviations below the linear regression line, based on the high from the 24/10/24) and at USD 2,708 (Fibonacci support).

Nickel Morning Technical (4-hour)

Support		Resistance		Current Price	Bull	Bear
S1	15,323	R1	15,488	15,375	Stochastic oversold	RSI below 50
S2	15,168	R2	15,542			
S3	14,905	R3	15,761			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (39)
- Stochastic is oversold
- Price is below the daily pivot point USD 15,488
- Technically bearish yesterday, the move to a new low meant the futures were in divergence with the RSI. Not a buy signal, it warned that we could see a momentum slowdown, which needed to be monitored. Due to the upside move followed by a new low, we had a 3-wave pattern lower. Elliott wave analysis on the correction was a little unclear on whether we were on a wave A, or an A, B, C correction. Above USD 15,830 the intraday technical would be bullish; however, upside moves that rejected the USD 15,922 level would warn that there was potentially a larger bear cycle in play. Due to the divergence, we had a note of caution on downside moves at those levels.
- The futures have seen another move lower but remain in divergence on the lower timeframe. 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 15,488 with the RSI at or above 46 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below 15,671 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Downside moves that hold at or above 15,323 will imply that there is a larger, bullish wave cycle in play.
- Technically bearish, the MA on the RSI is implying that we have light momentum weakness. Countering this, the futures remain in divergence with the RSI on the lower timeframe; not a buy signal, it continues to warn that sell side momentum could slow, which needs to be monitored. The corrective cycle is still a little unclear at this point; if we trade above USD 15,830, then the technical is bullish based on price. However, if we rejected the USD 15,873 level, then it will warn that there is potentially a larger bearish wave cycle in play; likewise, a move below USD 15,323 will warn that the probability of the futures trading to a new high will start to decrease, meaning upside moves have a greater chance of being countertrend. key support to follow is at USD 15,323 as it is starting to come under pressure.

Lead Morning Technical (4-hour)

Support		Resistance		Current Price	Bull	Bear
S1	1,937	R1	1,952	1,940.5		RSI below 50
S2	1,933	R2	1,960			
S3	1,917	R3	1,971			

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (46)
- Stochastic is below 50
- Price is below the daily point USD 1,937
- Technically bearish yesterday, the upside move previously rejected the EMA resistance band, resulting in price selling lower. The futures were approaching the USD 1,935.5 support, if broken it would create another positive divergence with the RSI, meaning we remained cautious on downside breakouts at that point. A cautious bear as downside moves could struggle to hold.
- The futures sold to a low of USD 1,926; however, the move failed to hold, resulting in the futures trading back to yesterday morning's levels. We remain 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 1,937 with the RSI at or above 48 will mean price and momentum are aligned to buyside. Likewise, a close below this level with the RSI at or below 43.5 will mean it is aligned to the sell side. Upside moves that fail at or below USD 1,971 will leave the futures vulnerable to tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, lower timeframe momentum oscillators remain in divergence, suggesting caution on moves lower at this point. If we trade above the high of yesterday's bear candle (USD 1,950), then the USD 1,971 Fibonacci resistance will start to look vulnerable. Due to the divergence in play, we have a note of caution on downside breakouts below USD 1,926.