



Base Morning Technical Report

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Metals

(Bloomberg) -- Base metals were mixed as traders focused on the impact of US tariffs on key trading partners. Most major contracts were steady on the London Metal Exchange on Thursday following gains made in the previous session. Trading volumes are likely to be lower with China out for the Lunar New Year holiday. Traders are focused on the consequences of tariffs that US President Donald Trump has pledged to impose on imports of metals like copper, aluminum and steel. The measures risk raising costs for American manufacturers as well as dampening global growth. Federal Reserve Chair Jerome Powell said the central bank was not in a rush to lower interest rates, with the outlook for inflation now complicated by Trump's potential policies. Lower borrowing costs typically stimulate demand for metals. Copper ticked down 0.1% to \$9,062.50 a ton on the LME by 1:36 p.m. Singapore time. Aluminum added 0.1%, while lead gained 0.5%. Iron ore futures rose 0.7% in Singapore.

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,038	R1	9,111		RSI below 50
S2	8,960	R2	9,158	9,052	
S3	8,885	R3	9,221		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- The RSI below 50 (43)
- Stochastic is below 50
- Price is above the daily pivot point USD 9,038
- Technically bearish yesterday, the MA on the RSI continued to suggest that momentum remained weak. Price was approaching the USD 8,960 Fibonacci support; if broken, the probability of there being a larger, bullish Elliott wave cycle would start to decrease. A close on the 4-hour candle above USD 9,011 would imply that sell side momentum was slowing, leaving the futures vulnerable to an intraday move higher; however, as highlighted previously, upside moves should be considered as countertrend. If we did trade above the USD 9,226 level, then the probability of the futures trading to a new low would start to decrease.
- The futures breached the USD 8,960 support, followed by a close above the USD 9,011 level, with price now testing the 200-period MA (USD 9,073). 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 9,038 with the RSI at or below 37.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 9,221 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the move below USD 8,960 yesterday suggests that the probability of there being a larger, bullish Elliott wave cycle in play has started to increase. As noted previously, the downside move to new lows has been supported by the RSI, implying intraday upside moves should be considered as countertrend; however, if we do trade above USD 9,221 then the probability of price selling to new lows will start to decrease. Likewise, a close above that holds above the 200-period MA will support a near-term buyer's argument. We do have a small rejection candle off the 200-period MA; if the current candle closes below USD 9,056 it will indicate that sell side pressure is increasing, warning the USD 8,957 fractal low could come under pressure.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,605	R1	2,624.5	RSI above 50	Stochastic overbought
S2	2,563	R2			
S3	2,536	R3			

Source Bloomberg

Synopsis - Intraday

- 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 2,605
- Technically bullish with a neutral bias yesterday, the MA on the RSI implied momentum was weak. The breach in the USD 2,563 support meant we had a higher chance of the Elliott wave cycle failing, whilst a move below USD 2,553 would mean the intraday technical was in bearish territory based on price. A close above that held above the 200-period MA (USD 2,582) would imply that intraday buyside pressure was increasing, warning the Fibonacci resistance zone could be tested. However, the deep pullback, alongside the RSI making new lows with price, suggested that intraday upside moves now look like they would be countertrend.
- The futures closed back above the 200-period MA (USD 2,582), resulting in price trading back into the Fibonacci resistance zone. We are above all key moving averages with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,605 with the RSI at or below 43.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,656 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 we have light momentum support, making USD 2,586 and area of interest. Corrective moves lower that hold above this level will support a near-term bull argument, warning the USD 2,656 resistance could come under pressure, if broken, the technical is back in bullish territory. We noted yesterday that the breach in the USD 2,563 level, alongside the RSI making new low, suggested that upside moves looked like they could be countertrend. The intraday technical still suggest this; however, there is a caveat. Yesterday's daily candlestick was a bullish engulfing pattern that formed USD 36.00 above the daily 200-period MA (USD 2,625), warning of underlying support in the market. We are going to have to take a neutral approach on this technical, as the intraday is conflicting with a powerful daily pattern.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,776	R1	2,794		RSI below 50
S2	2,748	R2	2,809		
S3	2,708	R3	2,847		

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (42)
- Stochastic is oversold
- Price is above the daily pivot point USD 2,776
- Technically bearish yesterday, the downside move previously had resulted in the near-term (and lower timeframe) divergences failing, suggesting upside moves now look like they would be countertrend. We noted that the futures were approaching the 100% Fibonacci projection level (USD 2,748); a technical pattern (A - B = C - D) which had the potential to act as a near-term support. A close on the 4-hour candle above USD 2,774 would warn that sell side pressure was easing, whilst a close above the daily pivot (USD 2,794) would imply intraday buyside pressure was increasing. If we traded below and closed below the USD 2,748 level, then we had 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).
- The futures held the USD 2,748 level resulting in price moving higher. We are below all key moving averages, supported by the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,776 with the RSI at or below 36 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,845 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 flat, but has acted as a support for the RSI. If we trade below the USD 2,771 level it will suggest that the USD 2,750 fractal low should be tested and broken; likewise, a rejection of the USD 2,845 will imply we are entering an Elliott wave 5 for this phase of the cycle. If broken, then the probability of the futures trading to a new low will start to decrease.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	15,323	R1	15,395	Stochastic oversold	RSI below 50
S2	15,168	R2			
S3	14,905	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (41)
- Stochastic is oversold
- Price is below the daily pivot point USD 15,476
- Technically bearish yesterday, the MA on the RSI implied that we had light momentum weakness. Countering this, the futures remained in divergence with the RSI on the lower timeframe; not a buy signal, it continued to warn that sell side momentum could slow, which needed to be monitored. The corrective cycle was still a little unclear at that point; if we traded above USD 15,830, then the technical would be 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 would warn that the probability of the futures trading to a new high would start to decrease, meaning upside moves had a greater chance of being countertrend. key support to follow was at USD 15,323 as it was starting to come under pressure.
- The futures had a very small test to the downside with price now consolidating. 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 15,476 with the RSI at or above 44.5 will mean price and momentum are aligned to the buy side. 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, lower timeframe Elliott wave analysis is suggesting that upside moves have the potential to be countertrend; however, below USD 15,365 the futures will be in divergence with the RSI on the 1-hour timeframe, meaning we have a note of caution on downside breakouts, as they could struggle to hold.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	1,966	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (53)
- Stochastic is overbought
- Price is above the daily point USD 1,956
- Technically bearish yesterday, lower timeframe momentum oscillators remained in divergence, suggesting caution on moves lower at that point. If we trade above the high of the previous day's bear candle (USD 1,950), then the USD 1,971 Fibonacci resistance would start to look vulnerable. Due to the divergence in play, we had a note of caution on downside breakouts below USD 1,926.
- The futures moved high due to the divergence in play, traded above the USD 1,950 resistance, resulting in the USD 1,971 Fibonacci resistance being breached. We are above all key moving averages with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 1,956 with the RSI at or below 47 will mean price and momentum are aligned to sell side
- The move above USD 1,950 means that the technical is bullish, whilst the breach in the USD 1,971 resistance is suggesting that the probability of the futures trading to a new low has started to decrease. The daily technical however is neutral as price is consolidating. A close below USD 1,968 on the daily chart will warn that buyside pressure is decreasing, meaning we could see an intraday pullback.

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