FIS Base Morning Technical Report

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Metals

(Bloomberg) -- Metals markets had a manic start to the week as investors reacted to global trade turmoil, with copper first plunging to its lowest since 2023 in London before swinging to a gain. Gold extended its drop from a record high.
Commodities have been caught up in the jitters sweeping world markets in the aftermath of US President Donald Trump's tariffs jolt, and China's tougher-than-expected retaliation. Base metals collapsed initially on Monday, after racking up big losses on Friday, while gold fell more than 2%.
The immediate losses were tempered as the trade panic showed signs of easing, at least for now. Copper — which at one point was heading for its worst three-day rout since the great financial crisis — converted a loss of more than 7% to a gain of more than 3%. Aluminum is now poised for its first advance in 13 days.

Some analysts said the price slump was triggered by a wave of investors cutting outstanding positions to minimize risks, a dynamic that has now partially played out. There's also speculation about China taking steps to counter economic headwinds. Chinese policymakers discussed ways to stabilize the economy, including by accelerating stimulus, according to people familiar with the matter.
Still, the uncertainty is unlikely to fade soon as Trump's bid to reshape international trade rolls on.
Under Pressure
Metals are "under significant pressure from dampened sentiment as the world braces for a possible recession and heightened geopolitical tensions that would threaten demand," said Sabrin Chowdhury, head of commodities at BMI, a Fitch Solutions unit. "The strong likelihood of a severe downturn in metals demand in a full blown trade war will keep metal prices under pressure for the coming weeks."
By 2:33 p.m. Shanghai time, copper on the London Metal Exchange was up 0.7% at $8,843.50 a ton. Aluminum and zinc rose, while spot gold was down 0.5% at $3,022.99 an ounce.
Gold's retreat comes just days after the metal hit a record high on demand as a haven amid growing geopolitical risks. Although gold typically benefits from periods of upheaval — and remains 15% higher this year — it can be sold during extreme market dislocation as investors seek to cover losses elsewhere.
"We are seeing profit taking to cover significant losses in equity markets and probably due to margin calls," Vasu Menon, managing director of investment strategy at Oversea-Chinese Banking Corp., said by text message.
Demand Worries
Copper prices had been surging until late March as threatened US tariffs on the metal fueled a scramble to send supplies to America. But that trade unraveled with those tariffs likely to come sooner than expected, and Trump's punitive "reciprocal" duties prompted much larger fears around global demand.
Monday's swing higher also suggests some investors expect tight global mine supply would continue to lend some support to copper. The balance between formidable short-term risks and copper's long-term prospects will be a key point for discussion at a major conference in Chile this week.
The market has returned to pricing logic based on fundamentals for now, Ruan Yinan, a senior trader at Jin Li Industrial International Pte in Singapore, said after Monday's price reversal.
Silver joined the big swings, gaining as much as 4.2% after an earlier decline of 4.2%, before trading 1% higher. Iron ore futures in Singapore were down 2.9% at $97.65 a ton.

Copper Morning Technical (4-hour)

Support		Resistance		Current Price	Bull	Bear
S1	8,687	R1	9,464	8,918	Stochastic oversold	RSI below 50
S2	8,285	R2	9,723			
S3	7,774	R3	10,164			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- The RSI below 50 (29)
- Stochastic is oversold
- Price is on/below the daily pivot point USD 8,919
- Technically bearish on Friday, the metals sector went risk off after the tariff announcements. The MA on the RSI continues suggest that momentum was weak, whilst Elliott wave analysis indicated that upside moves should be considered as countertrend. If we closed above the daily 200-period MA it would warn that we could be entering a countertrend move higher. Upside moves that failed at or below USD 9,606 would imply that there will be further downside within this corrective phase. If broken, it would indicate that we were on a countertrend Elliott wave B, meaning focus would move to the USD 9,857 level.
- The rout continued on the open with the futures trading to a low of USD 8,105 in the Asian day session, before finding bid support, pushing price back into positive territory. We remain below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the buyside, as the previous candle closed above the daily pivot level whilst the RSI was above its MA,
- A close on the 4-hour candle below USD 8,919 with the RSI at or below 24.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 9,464 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the futures did have a meltdown on the open; however, price is finding bid support having traded to a low of USD 8,105. The RSI and price made new lows on the open, suggesting upside moves should be considered as countertrend, this is supported by our Elliott wave analysis. In theory, if we trade above the USD 9,464 resistance, the probability of price trading to a new low will start to decrease. Our interpretation of the lower timeframe wave analysis indicates upside moves should be countertrend, with the extreme volatility, resistance could potentially be broken; but unless there is a change in narrative, re tariffs, we will follow the wave cycle rather than key resistance.

Aluminium Morning Technical (4-hour)

Support		Resistance		Current Price	Bull	Bear
S1	2,326.5	R1	2,402	2,394.5	RSI below 50	Stochastic oversold
S2	2,227	R2	2,461			
S3	2,209.5	R3	2,505			

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA Resistance band (Black EMA's)
- RSI is below 50 (22)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,402
- Unchanged on the technical on Friday, the MA on the RSI implied that we had light momentum weakness; however, we did have a minor divergence with the RSI, warning we could see a momentum slowdown. The 6-period RSI was oversold, whilst price remained 2 stdv below the linear regression line, leaving price vulnerable to a countertrend move higher. If we closed above and held above the linear regression line (USD 2,498), it would warn that the Fibonacci resistance zone could come under pressure in the near-term.
- The markets continue to maintain a risk off approach with price selling lower, resulting in the divergence failing. Having traded to low of USD 2,320 on the Asian open, the futures are finding bid support; however, price is in the process of rejecting the weekly pivot level at USD 2,436. We are below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the buyside, as the previous candle closed above the daily pivot level whilst the RSI was above its MA.
- A close on the 4-hour candle below USD 2,402 with the RSI at or below 22.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or above USD 2,564 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the futures failed to produce an intraday upside move on Friday with the divergence failing, meaning we maintain our view that upside move should be considered as countertrend. The move lower on the open has held polarity support (USD 2,326.5); however, if we fail to produce a daily close above the weekly pivot level then support levels will remain vulnerable. A daily close above the USD 2,436 will imply that resistance levels could come under pressure in the near-term. However, based on our wave analysis, the risk off mode and the RSI making new lows on the open, we are cautious on any upside moves at this point, as the technical suggests that they could struggle to hold.

Zinc Morning Technical (4-hour)

Support		Resistance		Current Price	Bull	Bear
S1	2,552	R1	2,671	2,679	Stochastic oversold	RSI below 50
S2	2,589	R2	2,723			
S3	2,503	R3	2,766			

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (29)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,671
- Technically bearish on Friday, the MA on the RSI implied that momentum was weak, whilst Elliott wave analysis continued to suggest that upside moves should be considered as countertrend, making USD 2,812 the key resistance to follow. We were cautious on moves lower in the near-term, was price is approaching a fractal support zone on the daily chart between USD 2,679—USD 2,675, a close below that held below the support zone will warn that the USD 2,549 support could be tested and broken.
- The futures closed below the fractal support zone resulting in price trading to a low of USD 2,556. However, we have found bid support with price trading back on the fractal support zone. We are 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 2,671 with the RSI at or below 23 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,806 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 lower on the open has resulted in an Elliott wave extension to the downside, meaning we are caution on moves higher, as the technical suggests that they could struggle to hold. If we do close on the daily candle back above the fractal support zone (USD 2,675—USD 2,679) and the weekly pivot level (USD 2,723). Then we could see the Fibonacci resistance zone come under pressure in the near-term.

Nickel Morning Technical (4-hour)

Support		Resistance		Current Price	Bull	Bear
S1	13,865	R1	14,863	14,585	Stochastic oversold	RSI below 50
S2	13,077	R2	15,029			
S3	12,407	R3	15,172			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (22)
- Stochastic is oversold
- Price is below the daily pivot point USD 15,029
- The Elliott wave cycle was bullish but with a neutral bias on Friday, whilst the MA on the RSI implied that momentum was weak at that point. Price had broken key resistance whilst below trend support; however, we were holding at the 100% Fibonacci projection support (USD 15,665) whilst the 1-hour RSI was in divergence, warning sell side momentum could slow down. If we held below the trend line then it would indicate that resistance levels could come under pressure. At that point, the price projection and momentum were suggesting caution on moves lower, meaning we could see price close back above the trend resistance.
- The futures failed to close back above the trend support due to global market going risk off, the technical is now bearish. 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 15,029 with the RSI at or above 355 will mean price and momentum are aligned to the buyside. Upside moves that fail at or USD 15,590 will warn that there is further downside within this corrective phase, above this level the technical will have a neutral bias.
- Technically bearish, the MA on the RSI implies that momentum remains weak at this point. The RSI is making new lows whilst intraday Elliott wave analysis now suggests that upside moves should be considered as countertrend. We are now cautious on moves higher, as the technical suggests they will struggle to hold.

Lead Morning Technical (4-hour)

Support		Resistance		Current Price	Bull	Bear
S1	1,856	R1	1,921	1,871	Stochastic oversold	RSI below 50
S2	1,789	R2	1,943			
S3	1,732	R3	1,972			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (16)
- Stochastic is oversold
- Price is below the daily point USD 1,921
- Unchanged on the technical on Friday. We remained bearish with the MA on the RSI implying momentum was weak. Elliott wave analysis continued to suggest that upside moves should be considered as countertrend. A close on the 4-hour candle above USD 1,950 would imply that buyside pressure was increasing, warning we could see price and momentum become aligned to the buyside.
- Like the rest of the commodities complex, the futures have sold lower with price trading to a low of USD 1,850. 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 1,921 with the RSI at or above 24.5 will mean price and momentum are aligned to the buyside. Upside move that fail at or below USD 2,011 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the new low this morning has been replicated by the RSI, implying upside moves will be countertrend, this is supported by our intraday Elliott wave analysis. If we close on the daily candle above the weekly pivot level (USD 1,946), it will warn that the Fibonacci resistance zone could come under pressure in the near-term. The technical suggests that upside moves will struggle to hold.