Base Morning Technical Report

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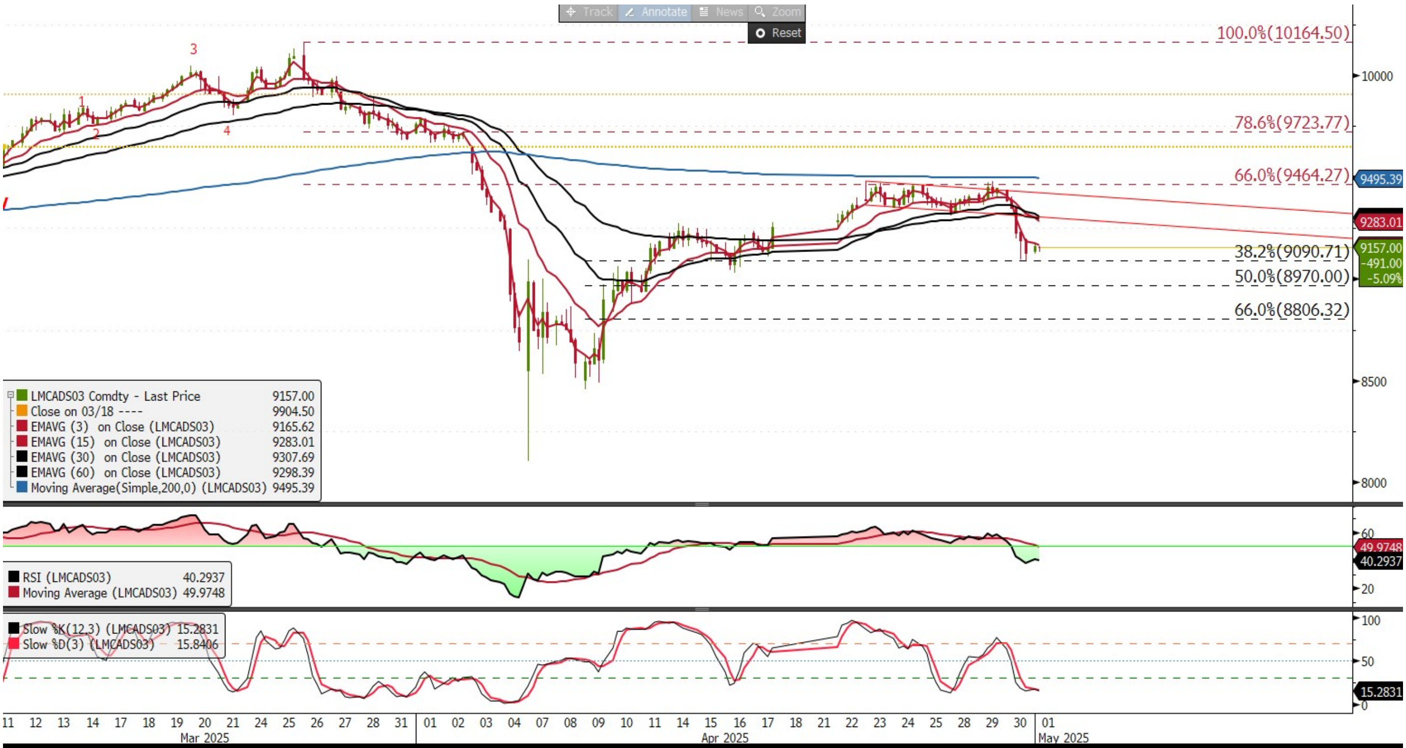
(Bloomberg) -- Copper rose after its biggest one-day drop in almost a month, as US President Donald Trump signaled progress on deals with nations targeted by tariffs, potentially lessening risks to global growth and metals demand.
Three-month futures pushed toward $9,150 a ton in London, after sinking by more than 3% on Wednesday. In remarks at a townhall, Trump said he saw a “very good chance” of making a deal with China, although any agreement had to be on US terms. Separately, Trade Representative Jamieson Greer said the biggest economy was nearing an announcement of a first tranche of deals.
Copper prices sank by 6% last month — their worst showing since mid-2022 — as signs emerged that the global trade war was starting to hurt economies, with the US contracting in the first quarter and Chinese manufacturing under pressure. At the same time, Washington is pushing ahead with a study that may result in US imports of the metal being subject to tariffs.
On the supply side, two of Peru’s biggest copper mines were targeted by community protests this week, stoking concerns over disruptions in the third-largest producer. At Antamina — whose owners include BHP Group and Glencore Plc — the incident was quickly quelled. Meanwhile, at Las Bambas — owned by China’s MMG Ltd. — transport services for the mine were being restored.
Copper gained as much as 0.5%, before trading up 0.2% to $9,143 a ton on the London Metal Exchange at 9:11 a.m. in Singapore. Aluminum also edged higher. Some countries across the Asia-Pacific region, including China, are closed on Thursday for Labor Day holidays, lessening trading volumes.
Iron ore futures fell 0.8% to $96.60 a ton in Singapore. Futures for the steel-making staple dropped 3.5% in April to post their third straight monthly loss.

Copper Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	9,090	R1	9,217	9,157	Stochastic oversold	RSI below 50
S2	8,996	R2	9,302			
S3	8,970	R3	9,312			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- The RSI below 50 (40)
- Stochastic is oversold
- Price is below the daily pivot point USD 9,217
- Unchanged yesterday, we remained technically bearish with a neutral bias, the futures remained in a consolidation phase between the intraday—daily 200—period EMA's (USD 9,500—USD 9,316), meaning price action was considered as neutral whilst in range.
- The futures have broken the consolidation phase to the downside with price closing below the daily 200-period MA (USD 9,312). 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 9,217 with the RSI at or above 52 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 8,806 will support a bull argument, below this level the technical will be back in bearish territory.
- Technically bearish with a neutral bias, the MA on the RSI implies that momentum is weak at this point. The consolidation break to the downside is supported by the RSI making new lows, warning upside resistance levels could hold if tested in the near-term. The close below the daily 200-peiord MA warns that the technical is showing signs of weakness; however, price now needs hold below the average for downside continuation. Key Fibonacci support to follow is at USD 8,806, if we hold above this level, it will warn that there is an underlying support in the market. Conversely, if broken the technical will be back in bearish territory. The breakdown implies weakness, supported by the RSI low; however, we have the weekly 200-period MA at USD 8,996. This will be a near-term downside target for market sellers, but also the next area of support.

Aluminium Morning Technical (4-hour)

Support		Resistance		Current Price	Bull	Bear
S1	2,385	R1	2,415	2,379	Stochastic oversold	RSI below 50
S2	2,358	R2	2,420			
S3	2,336	R3	2,425			

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (42)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,420
- Technically bearish yesterday, our Elliott wave analysis continued to suggest that upside moves should be considered as countertrend, making USD 2,557 the key resistance to follow. A move above this level would mean that the probability of the futures trading to a new low would start to decrease. We noted that the upside move to a new high previously had created a minor negative divergence with the RSI, not a sell signal, it warned that we could see a momentum slow-down, this needed to be monitored. If price and momentum became aligned to the sell side, then we could see polarity support (USD 2,425—USD 2,415) come under pressure. The divergence and Elliott wave cycle meant that we remained cautious on upside moves, as the technical suggested that they could struggle to hold.
- The futures sold lower on the divergence with price trading and closing below the polarity support. 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 2,420 with the RSI at or above 55.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or above USD 2,557 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 implies that momentum remains weak. Price has sold lower on the intraday divergence, the close below polarity support warns that the USD 2,358 level is vulnerable. If broken, we target the USD 2,300 fractal low; conversely, if we hold above this level it will imply there is an underlying support in the market. Our intraday Elliott wave analysis continues to suggest that upside moves should be considered as countertrend.

Zinc Morning Technical (4-hour)

Support		Resistance		Current Price	Bull	Bear
S1	2,581	R1	2,611			
S2	2,557	R2	2,671	2,594	Stochastic oversold	RSI below 50
S3	2,516	R3	2,690			

Source Bloomberg

Synopsis - Intraday

- 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 2,611
- Unchanged on the technical yesterday, we remained bearish with the MA on the RSI flat, implying momentum was neutral. The futures continued to hold above the top of the Fibonacci support zone; we noted that if we held above the USD 2,581 level, it would support a near-term bull argument; likewise, below this level would suggest that the USD 2,515.5 fractal support could be tested and broken. Conversely, upside moves that reject the USD 2,710 resistance would warn of technical weakness. We maintained our view based on Elliott wave analysis that upside moves should in theory be countertrend, making USD 2,752 the key resistance to follow. If broken, then the probability of the futures trading to a new low would start to decrease.
- The futures broke to the downside having rejected the upside resistance, resulting in the USD 2,580 Fibonacci support being breached. 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 2,611 with the RSI at or above 50 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,752 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 implied that momentum is weak. Both price and the RSI have made new lows, suggesting upside moves should be considered as countertrend, this is supported by our Elliott wave analysis. The breach in the USD 2,581 support means that the USD 2,515.5 fractal low is vulnerable.

Nickel Morning Technical (4-hour)

Support		Resistance		Current Price	Bull	Bear
S1	15,110	R1	15,461	15,325	Stochastic oversold	RSI below 50
S2	14,872	R2	15,833			
S3	15,461	R3	15,920			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (43)
- Stochastic is oversold
- Price is below the daily pivot point USD 15,461
- Unchanged on the technical yesterday, we remained bearish with a neutral bias, the MA on the RSI implied that we had light momentum weakness. As noted previously, the rejection of the resistance area whilst in divergence meant that we remained cautious on moves higher in the near-term. If we closed above and held above the 200-period MA and trend resistance (USD 15,843—USD 15,929) then it would leave the USD 16,480 fractal resistance vulnerable; however, we noted that we could still be in divergence with the RSI above USD 15,880, which needed to be monitored, as it warned that we could see a momentum slowdown on an upside breakout above this level.
- The futures sold lower due to the rejection of the resistance area, resulting in price trading below the USD 15,450 fractal support. We are below all key moving averages with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 15,461 with the RSI at or above 51 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 14,550 will support a bull argument, below this level the technical will be back in bearish territory.
- Technically bearish with a neutral bias. The futures are in the process of rejecting the 200-period MA and trend resistance, warning support levels are starting to look vulnerable. The MA on the RSI implies momentum is weak, whilst Elliott wave analysis suggests upside moves should be considered as countertrend. Countering this, the move above the USD 15,590 resistance does mean that the probability of the futures trading to a new low has started to decrease, making USD 14,550 the key support to follow. Corrective moves lower hold at or above this level, will warn that there is an underlying support in the market. Price action is weakening; however, for downside continuation the futures need to breach the USD 14,550 support.

Lead Morning Technical (4-hour)

Support		Resistance		Current Price	Bull	Bear
S1	1,941	R1	1,961	1,958	RSI above 50	
S2	1,927	R2	1,991			
S3	1,910	R3	2,006			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (62)
- Stochastic is oversold
- Price is below the daily point USD 1,961
- Technically bearish yesterday, the MA on the RSI implied that we had light momentum support; however, the new high previously meant that we had a minor divergence in play, warning buyside momentum could slow. The futures were trading in an old consolidation zone, that had the potential to act as a resistance area (roughly highlighted on the chart), whilst we had the intraday 200-period MA at USD 1,992. With our Elliott wave analysis suggesting upside moves should be considered as countertrend, whilst price is in divergence, a resistance zone and below the 200-period MA, we continue to be cautious on moves higher.
- The futures sold lower on the divergence, resulting in price breaking channel support. The RSI is still above 50 whilst price is above the EMA support band, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 1,961 with the RSI at or above 59 will mean price and momentum are aligned to the buy side. Upside move 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 have a neutral bias.
- Technically bearish, the MA on the RSI implies that momentum is weakening, whilst the rejection of the resistance zone due to the divergence in play suggests that Fibonacci support levels are vulnerable. We maintain a cautious view on moves higher at this point.