# Base Morning Technical Report

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

US

(Bloomberg) -- Traders lowered their bets on the Federal Reserve's interest-rate cuts this year, pricing in just two reductions for 2025 after the US and China agreed to cut tariffs and moderate their trade war.
Swaps that track upcoming central bank meetings showed just 56 basis points of easing by December, down from near 75 basis points last week. Traders still see the first quarter-point cut in September. The policy-sensitive two-year yield rose as much as 12 basis points Monday to back above 4%, and was trading around that level late in New York, as traders pulled back their estimates of rate cuts for 2025.
The rise in yields combined with decreasing certainty over rate cuts reflect further weakening of bullish bond wagers as the latest reduction in tariffs is viewed as bolstering the economy. Risk assets rallied sharply to start the week, dimming the appeal of Treasuries.
The pullback in market expectations of the Fed's rate path has extended since the US central bank published its meeting statement and chair Jerome Powell advocated for a wait-and-see approach to assess how tariffs will impact inflation and growth. Over the past week, the two-year yield has climbed from a low of 3.55%, while the five-year note yield has risen to 4.11% from around 3.85%.
"Markets are in the overshooting business and right now the money in motion is flowing to risk," said Ed Al-Hussainy, rates strategist at Columbia Threadneedle Investment. The firm prefers selling the front-end, with Al Hussainy saying attractive cheaper levels for the two-year would require the market pricing in less than two cuts for this year.

# Copper Morning Technical (4-hour)

| Support | | Resistance | | Current Price | Bull | Bear |
|---|---|---|---|---|---|---|
| S1 | 9,515 | R1 | 9,723 | 9,534 | RSI above 50 | Stochastic overbought |
| S2 | 9,465 | R2 | 9,895 | | | |
| S3 | 9,450 | R3 | 10,164 | | | |

**Synopsis - Intraday**

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (57)
- Stochastic is overbought
- Price is above the daily pivot point USD 9,515
- Unchanged on the technical on Thursday, we remained bearish with a neutral bias. The futures were below the intraday 200-period EMA (USD 9,479), but above the daily 200-period MA (USD 9,316), meaning near-term price action was neutral. We noted that a close on the daily candle below the weekly pivot level (USD 9,311) would indicate that sell side pressure is increasing.
- The futures held above the USD 9,311 support last week with price having a test to the upside yesterday; however, we failed to trade above the USD 9,582 high. We are above the EMA support band and the 200-period EMA (USD 9,465) whilst the RSI is above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 9,515 with the RSI at or below 53 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 8,838 will support a bull argument, below this level the technical will be back in bearish territory.
- Bearish with a neutral bias, the futures are above the intraday 200-period MA; however the technical is conflicting, as price has a divergence with RSI. Not a sell signal, it is a warning that we could see a momentum slowdown, which will need to be monitored. If we hold above the intraday 200-period MA, and the divergence fails, then the futures will target the USD 9,723 and the USD 9,895 resistance levels. Whilst in divergence, we continue to be cautious on moves higher. A close on the daily candle below the weekly pivot level (USD 9,450) will warn that sell side pressure is increasing.

# *Aluminium Morning Technical (4-hour)*


| Support | | Resistance | | Current Price | Bull | Bear |
|---|---|---|---|---|---|---|
| S1 | 2,465 | R1 | 2,489 | 2,479 | RSI above 50 | Stochastic overbought |
| S2 | 2,418 | R2 | 2,495 | | | |
| S3 | 2,397 | R3 | 2,557 | | | |

Source Bloomberg

**Synopsis - Intraday**

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (62)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,465
- Technically bearish on Thursday, the MA on the RSI implied that momentum was weak at that point. The move below the USD 2,391 fractal support meant that the intraday technical was making lower highs and lower lows, warning the USD 2,358 Fibonacci support could come under pressure. If broken, market sellers would look to target the USD 2,300 fractal low. Conversely, downside moves that held at or above the USD 2,300 level would warn that there was an underlying support in the market. We noted that the technical condition is weakening, meaning price needed to remain below the weekly pivot level (USD 2,431).
- The futures found light bid support on Friday; however, we did trade to new highs on Monday due to the change in the Tariff situation between China and the US. We are above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,465 with the RSI at or below 53 will mean price and momentum are aligned to the sell side. 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 is supported at this point. The move above the USD 2,468 resistance means we have a minor divergence with the RSI. Not a sell signal, it is a warning that we could see a momentum slowdown, which needs to be monitored. Price is now approaching the 200-period MA at USD 2,489, if rejected, it will leave support levels vulnerable. Conversely, a close above that holds above the average, will indicate there is underlying support in the market; however, for upside continuation, the divergence will need to fail. Elliott wave analysis suggest that upside moves should be considered as countertrend, making USD 2,557 the key resistance to follow. A move above this level will warn that the probability of the futures trading to a new low will start to decrease. With price below the 200-period MA whilst in divergence, alongside our wave analysis, we remain cautious on moves higher at this point.

# Zinc Morning Technical (4-hour)

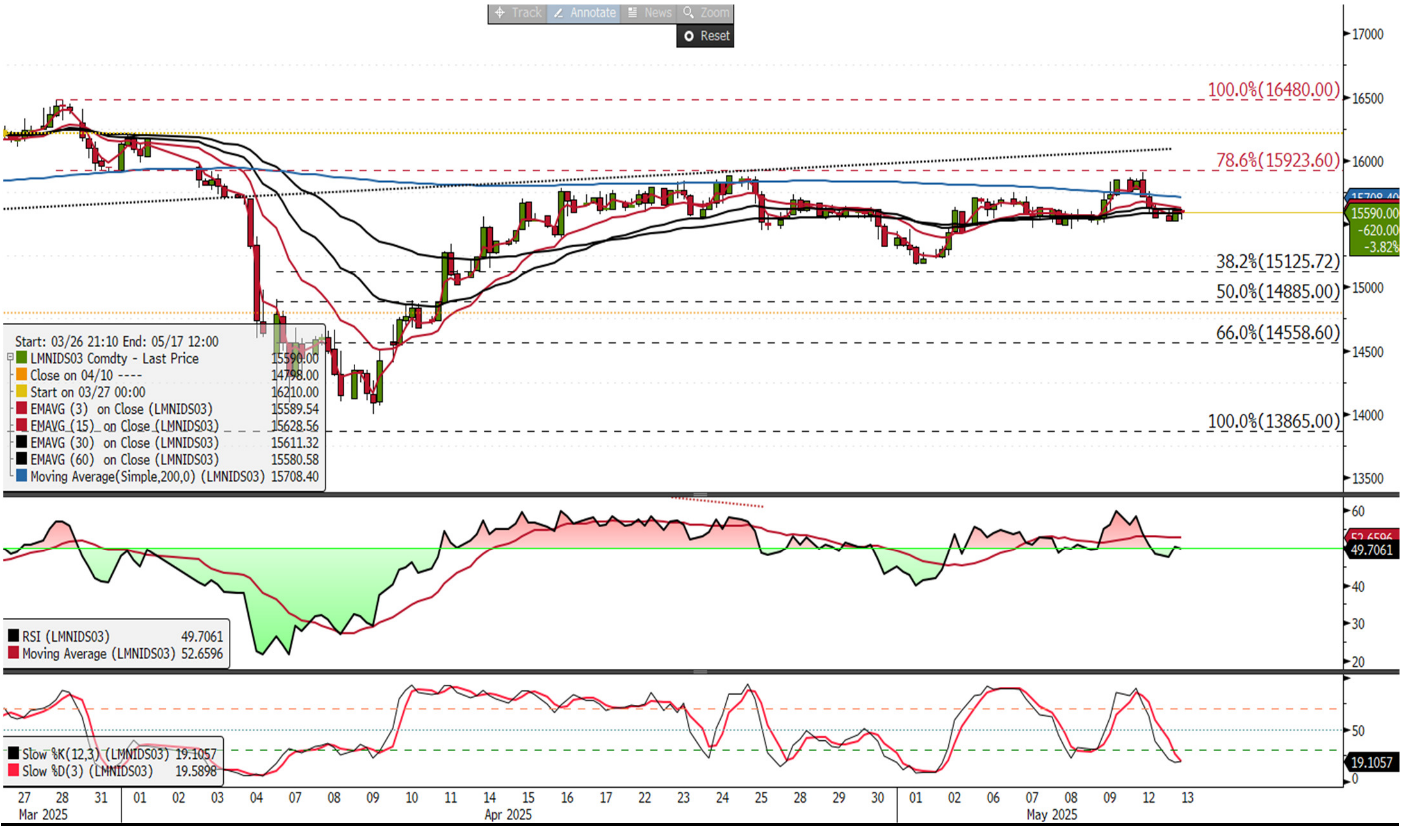
| Support | | Resistance | | Current Price | Bull | Bear |
|---|---|---|---|---|---|---|
| S1 | 2,640 | R1 | 2,741 | 2,679.5 | RSI above 50 | Stochastic overbought |
| S2 | 2,636 | R2 | 2,752 | | | |
| S3 | 2,616 | R3 | 2,798 | | | |

Source Bloomberg

**Synopsis - Intraday**

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (57)
- Stochastic is overbought
- Price is below the daily pivot point USD 2,681
- Technically bearish last week, the MA on the RSI was flat, implying momentum was neutral, this was supported by the RSI at 49. As noted previously, the upside rejection of the resistance band warned that support levels were starting to look vulnerable. Price and momentum were aligned to the sell side; however, we noted that we remained just below the daily pivot level at that point (USD 2,629). A close on the 4-hour candle below USD 2,613 would further weaken the technical. Elliott wave analysis continued to suggest that upside moves should be considered as countertrend.
- Having sold to a low of USD 2,590 on the open on Thursday, the futures found light bid support for the remainder of the session and into Friday. Yesterday we traded above the USD 2,710 resistance on renewed trade optimism between China and the US. We are above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buyside, as the previous candle closed above the daily pivot level.
- A close on the 4-hour candle below USD 2,681 with the RSI at or below 54 will mean price and momentum are aligned to the sell side. 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 implies that momentum is supported at this point. Countering this, the futures have closed below the low of the last dominant bull candle (USD 2,684) , implying buyside pressure was weakening. On the open today we have traded above the high of the last dominant bear candle (USD 2,690), but price is yet to closed above it. Near-term price action is neutral/bearish, whilst Elliott wave analysis suggests upside moves should be considered as countertrend, meaning we maintain a cautious view on moves higher. A close on the 4-hour candle below USD 2,671 will warn that the Fibonacci support zone could come under pressure; however, for downside continuation, we will need to see a daily close below the weekly pivot level (USD 2,636).

# Nickel Morning Technical (4-hour)




| Support | | Resistance | | Current Price | Bull | Bear |
|---|---|---|---|---|---|---|
| S1 | 15,460 | R1 | 15,696 | 15,590 | Stochastic oversold | RSI below 50 |
| S2 | 15,180 | R2 | 15,923 | | | |
| S3 | 15,125 | R3 | 16,093 | | | |

**Synopsis - Intraday**

Source Bloomberg

- Price is between the EMA support band (Black EMA's)
- RSI is below 50 (49)
- Stochastic is oversold
- Price is below the daily pivot point USD 15,696
- Unchanged on the technical on Thursday, we remained bearish with a neutral bias. The MA on the RSI had started to flatten whilst price was below the intraday 200-period MA (USD 15,769), and trend resistance (USD 16,049), suggesting caution on moves higher in the near-term. We noted that if we close above and held above the 15,769 level, it would warn that the USD 15,880 fractal high could be tested and broken; if it was, we would target the trend resistance. Previously, we had noted that the futures would be in divergence on an upside breakout above USD 15,880, this was now less clear, but would need to be monitored. A close on the daily candle below USD 15,395 would indicate that sell side pressure was increasing, this would also put price below the weekly pivot level (USD 15,465).
- The futures closed above the 200-period MA (USD 15,708), resulting in price trading above the USD 15,880, to a high of USD 15,905, meaning we failed to close above the trend resistance line. Price has since sold lower with the futures back below the longer-term average. We are between the EMA support band with the RSI near-neutral at 49, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 15,696 with the RSI at or above 55 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 14,558 will support a bull argument, below this level the technical will be back in bearish territory.
- Technically bearish with a neutral bias, the futures have failed to hold above the 200-period MA (USD 15,708). If we remain below the average and close below the USD 15,460 fractal support, it will warn that the USD 15,180 level could come under pressure. The futures continue to reject the upside resistance, meaning we remain cautious on moves higher; however price is no longer in divergence. Technically, we are at an inflection point, as we continue to trade around the 200-period MA, if we close back above it, market sellers will need to be cautious. Neutral.

# *Lead Morning Technical (4-hour)*

| Support | | Resistance | | Current Price | Bull | Bear |
|---|---|---|---|---|---|---|
| S1 | 1,981 | R1 | 1,931 | 1,994.5 | | RSI above 50 |
| S2 | 1,960 | R2 | 1,949 | | | |
| S3 | 1,944 | R3 | 1,971 | | | |

**Synopsis - Intraday**

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (59)
- Stochastic is above 50
- Price is above the daily point USD 1,981
- Technically bearish last week, the futures had moved high on a 1-hour divergence yesterday (which we missed), resulting in price closing above the high of the last dominant bear candle. Our Elliott wave analysis continued to suggest that upside moves should be considered as countertrend, whilst we remained below the resistance zone, the 200-period MA (USD 1,983) and the USD 2,006 Fibonacci resistance, meaning we remained cautious on moves higher. however, for downside continuation, we would need to see a close below the dominant bear candle on the 4-hour timeframe (USD 1,927.5).
- The futures failed to close below the USD 1,927.5 level, resulting in price trading to new highs. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 1,981 with the RSI at or below 57 will mean price and momentum are aligned to the sell 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, the Elliott wave analysis remains bearish; however, price is trading in the resistance zone whilst above the intraday 200-period MA (USD 1,979), warning that the USD 2,006 resistance is now vulnerable. If broken, then the probability of price trading to a new low will start to decrease. For downside continuation, price will need to close and hold below the 200-period MA.