Base Morning Technical Report

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(Bloomberg) -- Aluminum climbed for a fifth day to reach the highest level since US President Donald Trump announced sweeping tariffs last month that triggered deep fears for global growth.

The lightweight metal — which saw tumultuous trading in April, along with other assets — topped $2,500 a ton, hitting the highest intraday level since April 1. That's the day before Trump's so-called Liberation Day, when he unveiled broad trade levies, before pausing them on most nations about a week later.

Aluminum, copper and zinc have all gained this week after the US and China edged back from an all-out trade war by pausing punitive tariffs against each other. That's triggered a rush to export from China, which could feed back into metals demand. The LMEX Index — a gauge of six main metals traded in London — has also returned to the highest since April 2.

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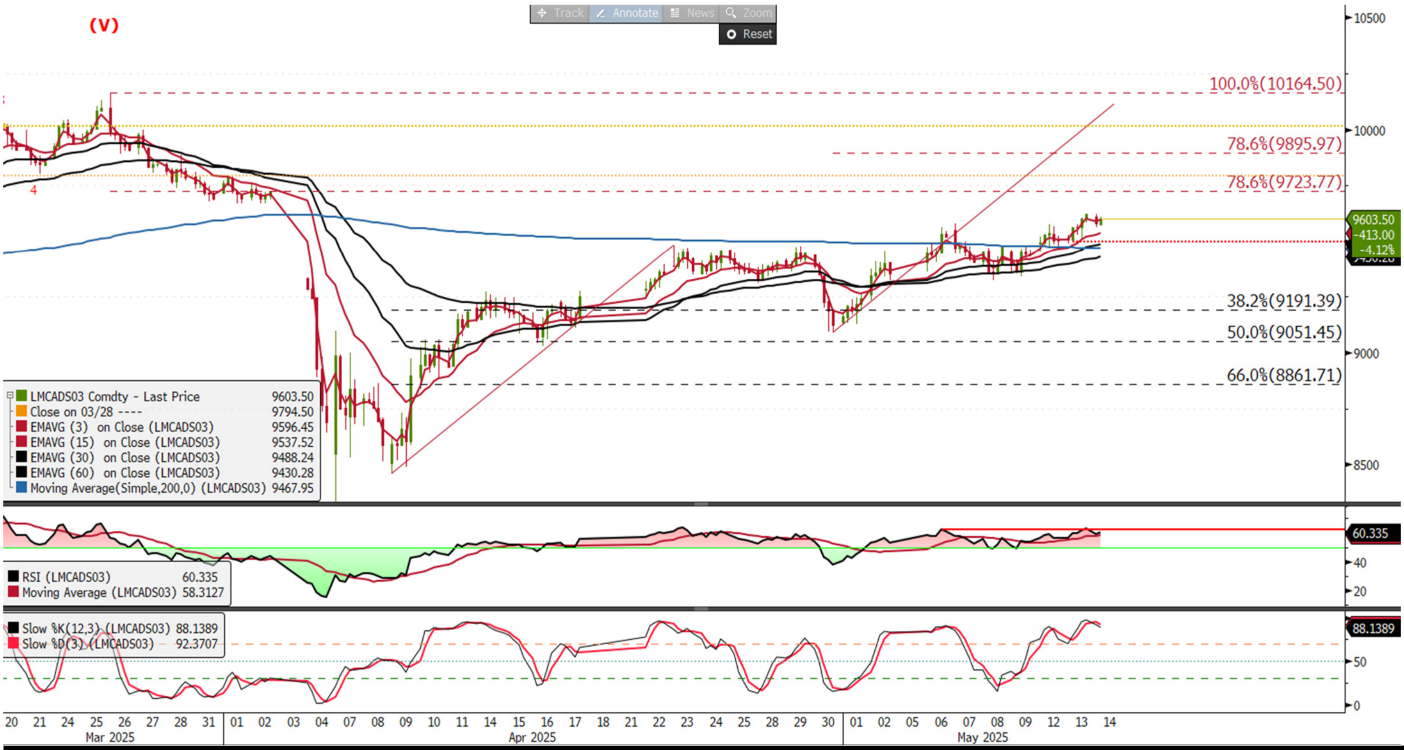
Aluminum's gains have been accompanied by signs of a tightening market. Prices for immediate delivery on the London Metal Exchange returned to a premium over three-month contracts, forming a bullish backwardated structure for the first time since March.

Demand in China has been "robust," while the Asian nation's caps on capacity and potential stimulus are key supports, HSBC Plc analysts wrote in a note on Tuesday. Still, Citigroup Inc. said prices may get only a marginal boost from the US-China trade thaw.

Aluminum's "quick rally is due to exit of bearish funds, following extended declines in Chinese inventories," said Gao Yin, an analyst at Shuohe Asset Management Co.

Three-month aluminum traded 0.7% higher at $2,508.50 a ton at 12:07 p.m. in Singapore, after rising to as much as $2,517.

Copper Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	9,571	R1	9,723	9,603.5	RSI above 50	Stochastic overbought
S2	9,499	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 (60)
- Stochastic is overbought
- Price is above the daily pivot point USD 9,571
- Bearish with a neutral bias yesterday, the futures were above the intraday 200-period MA; however the technical was conflicting, as price was in divergence with RSI. Not a sell signal, it warned that we could see a momentum slowdown, which would need to be monitored. We noted that if we hold above the intraday 200-period MA, and the divergence failed, then the futures would 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.
- The futures remain supporting having traded to new highs yesterday, 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 9,571 with the RSI at or below 55 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 8,61 will support a bull argument, below this level the technical will be back in bearish territory.
- Technically we are bearish with a neutral bias, the probability of price trading to a new low has decreased. The futures are above the EMA support band and the 200-period MA (USD 9,467), price is making higher highs and higher lows, yesterday's divergence on the 4-hour timeframe has failed. Technically the USD 9,723 and USD 9,895 resistance levels are vulnerable, as price is moving away from the longer-term intraday moving average. If price and momentum become aligned to the sell side, it will warn of intraday weakness; whilst a close below the low of the last dominant bull candle (USD 9,499) will indicate sell side pressure is increasing, leaving the futures vulnerable to corrective move lower. From an Elliott wave perspective, this does not look like a bullish impulse move higher; however, based on the current trade situation, the psychology of the market (the wave pattern) is outside of the realms of what we should normally expect.
- It is not shown by the RSI or the stochastic, but we are seeing a momentum slowdown. the previous move that started on the 30/04/25 traded from a low of USD 9,088.5, to a high of USD 9,582 (+ 5.24%), the move consisted of 17 4-hour candles. The current move higher consists of 23 candles with price only 3.24%. Based on price, we are seeing a momentum slowdown, meaning we do not consider the futures a technical buy at these levels.

Aluminium Morning Technical (4-hour)

Support		Resistance		Current Price	Bull	Bear
S1	2,483	R1	2,548	2,515	RSI above 50	Stochastic overbought
S2	2,470	R2	2,557			
S3	2,453	R3	2,607			

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (67)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,483
- Technically bearish yesterday, the MA on the RSI implied that momentum was supported at that point. The move above the USD 2,468 resistance meant we had a minor divergence with the RSI. Not a sell signal, it warned that we could see a momentum slowdown, which needed to be monitored. Price was approaching the 200-period MA at USD 2,489, if rejected, it would leave support levels vulnerable. Conversely, a close above that holds above the average, would indicate that there was underlying support in the market; however, for upside continuation, the divergence would need to fail. Elliott wave analysis suggested 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 that point.
- The futures tested and closed above the 200-period MA on the close last night (USD 2,485), resulting in price moving higher on the open, the divergence has now failed. 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 2,483 with the RSI at or below 59 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.
- The Elliott wave cycle remains bearish, near-term price action continues to make higher highs and higher low, with the RSI divergence failing. Price is above the 200-period MA, implying we have momentum support, as does the MA on the RSI, which is sloping higher. Technically, the USD 2,557 resistance is vulnerable; if broken, then the probability of the futures trading to a new low will start to decrease. However, we are now trading 2 standard deviations above the linear regression line, warning we are starting to look overextended to the upside, meaning price is vulnerable to an intraday pullback.

Zinc Morning Technical (4-hour)

Support		Resistance		Current Price	Bull	Bear
S1	2,693	R1	2,736	2,735	RSI above 50	Stochastic overbought
S2	2,654	R2	2,752			
S3	2,628	R3	2,798			

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (64)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,693
- Technically bearish yesterday, the MA on the RSI implied that momentum was supported at that point. Countering this, the futures had closed below the low of the last dominant bull candle (USD 2,684) , implying buyside pressure was weakening. On the open yesterday we have traded above the high of the last dominant bear candle (USD 2,690), but price was 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 maintained 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).
- The futures closed above the USD 2,690 level, resulting in price moving higher. 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 2,693 with the RSI at or below 58 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.
- The Elliott wave cycle remains bearish, but near-term price action is moving higher with the futures making higher highs and higher lows. Price is trading on the 200-period MA (USD 2,736), a close above that holds above it will warn that the USD 2,752 resistance could be tested and broken, if it is, then the probability of the futures trading to a new low will start to decrease. The acceleration in price action yesterday, and this morning, does suggest market buyers are going to try and but price above the USD 2,752 resistance. However, be aware, the intraday RSI is approaching a resistance zone, whilst price is two standard deviations above the linear line. This is warning that even if we do break key resistance, we could see an intraday move lower.

Nickel Morning Technical (4-hour)

Support		Resistance		Current Price	Bull	Bear
S1	15,695	R1	15,923	15,820	RSI above 50	RSI below 50
S2	15,653	R2	16,088			
S3	15,470	R3	16,480			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (57)
- Stochastic is above 50
- Price is above the daily pivot point USD 15,653
- Technically bearish with a neutral bias yesterday, the futures had failed to hold above the 200-period MA (USD 15,708). If we remained below the average and closed below the USD 15,460 fractal support, it would 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.
- The futures traded to a low of USD 15,470 yesterday, before moving higher to close back above the 200-period MA (USD 15,695), meaning resistance levels are vulnerable. 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 15,653 with the RSI at or below 51 will mean price and momentum are aligned to the sell side. 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.
- From a technical perspective, the Elliott wave cycle is bearish with a neutral bias, meaning the probability of the futures trading to a new low has started to decrease. The failure to trade below the USD 15,460 level yesterday could be significant, as the technical pattern looks like we could have a bullish inverse head and shoulders pattern coming into play. If we close above and hold above the USD 15,905 level, or see a high volume breakout, preferably with some kind of increase in volatility; then it will indicate that momentum is to the buyside, meaning resistance levels could be tested and broken. Conversely, if we fail to break above USD 15,905, or hold a break above this level, then be cautious. A failed breakout could shake out recent longs that have been accumulating during the period that the pattern has formed.

Lead Morning Technical (4-hour)

Support		Resistance		Current Price	Bull	Bear
S1	1,977	R1	1,985	1,981.5	RSI above 50	
S2	1,959	R2	2,006			
S3	1,944	R3	2,039			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (55)
- Stochastic is above 50
- Price is below the daily point USD 1,985
- Technically bearish yesterday, the futures had moved high on a 1-hour divergence previously (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 have seen a small pullback with price now on the 200-period EMA (USD 1,977). We are above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 1,985 with the RSI at or above 61 will mean price and momentum are aligned to the buyside. 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.
- The technical is bearish; however, price is on the 200-period MA and channel support (USD 1,977—USD 1,979), meaning we are at an inflection point. If we hold support, then the USD 2,006 resistance could be tested and broken; if it is, then the probability of price trading to a new low will start to decrease. Conversely, a close below that hold below the USD 1,977 level will warn that support levels could come under pressure. This technical is in balance, meaning near-term price action is neutral.