Base Morning Technical Report

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(Bloomberg) -- Copper headed for a modest weekly gain, extending a rebound from a 13-month low hit in April, as investors weighed signs of tightening supplies, as well as the outlook for the global trade war.
Three-month futures traded just below $9,600 a ton in London, up more than 1% this week. Prices have pushed higher following a truce in the US-China trade fight, although concerns remain about the standoff. US levies on Chinese goods will likely hold at 30% through late 2025, high enough to wipe out 70% of Chinese shipments, according to a survey and estimate from Bloomberg Economics.
There have been signs of tightness, both in the copper concentrate market, as well as refined metal. Reflecting the former, a gauge of processing fees has plunged deeper into negative levels, highlighting competition for supplies. Elsewhere, the spread between cash and three-month futures has become more backwardated in recent weeks, a bullish pattern.
Copper prices have managed to advance almost 10% this year, despite the ructions caused by the Trump administration's aggressive trade policies, which have buffeted appetite for risk assets and raised the specter of a global slowdown. In addition, the US has opened a probe into the copper market that may result in import tariffs being imposed. Ahead of that possible move, copper held in Comex warehouses has ballooned to the highest since 2018.
Among processors, Tongling Nonferrous Metals Group Co., one of the largest Chinese smelters, this week started feeding concentrate into a new 500,000-ton-a-year smelter in Tongling city, according to people with knowledge of the matter, who declined to be identified as the information isn't public.
Meanwhile, in Indonesia, Freeport-McMoran Inc. has completed repairs at its Gresik copper smelter after a fire last year. The start of the plant is expected to intensify competition for feedstock.
Copper was little changed at $9,583.50 a ton on the London Metal Exchange at 11:34 a.m. in Shanghai. Among other metals, aluminum, zinc, lead and tin were also on course for weekly gains.
Iron ore fell 0.8% to $100.35 a ton in Singapore. Still, the steel-making staple has risen 3.6% this week, the best showing since January.

Copper Morning Technical (4-hour)

Support		Resistance		Current Price	Bull	Bear
S1	9,549	R1	9,664	9,569.5	RSI above 50	
S2	9,450	R2	9,723			
S3	9,325	R3	9,845			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (55)
- Stochastic is above 50
- Price is above the daily pivot point USD 9,549
- Technically the Elliott wave cycle was bearish with a neutral bias yesterday, the probability of price trading to a new low had decreased. Near-term price action was bullish but in the early stages of a corrective phase. The MA on the RSI was flat, implying momentum is turning neutral; as noted previously, the current move higher is greater in time but weaker in price, implying caution on moves higher.
- The futures traded to a low of USD 9,465 before finding bid support off the 200-period MA (USD 9,473). We are above all key moving averages supported by the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 9,549 with the RSI at or above 59.5 will mean price and momentum are aligned to the buyside; likewise, a close below this level will mean it is aligned to the sell side. Downside moves that hold at or above USD 8,861 will support a bull argument, below this level the technical will be back in bearish territory.
- Near-term price action is bullish, but the Elliott wave cycle remains bearish with a neutral bias. As noted previously, the current move higher is greater in time but weaker in price, warning buyside momentum was slowing, but price is holding above the 200-period MA. The technical is now conflicting, meaning it has a neutral bias. If we close below and hold below the 200-period MA, then Fibonacci support levels will become vulnerable.

Aluminium Morning Technical (4-hour)

Support		Resistance		Current Price	Bull	Bear
S1	2,477	R1	2,498	2,478.5	RSI above 50	
S2	2,468	R2	2,557			
S3	2,435	R3	2,607			

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (53)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,498
- The Elliott wave cycle remained bearish yesterday, whilst near-term price action continued to make higher highs and higher lows. The MA on the RSI was flat, implying buyside momentum was easing, whilst price had produced an intraday upside rejection candle. We had moved below the 2 standard deviation line on the intraday technical; however, we remained overextended to the upside, implying caution on moves higher at that point. We noted that the futures were struggling to hold above the 200-period weekly MA at USD 2,525, a natural area of resistance to longer-term investors.
- The futures have entered a corrective phase with price trading on the linear regression line whilst testing the 200-period MA (USD 2,477). 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 2,498 with the RSI at or above 64 will mean price and momentum are aligned to the buy 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 futures are in a corrective phase whilst the Elliott wave cycle remains bearish. The rejection of the USD 2,557 level does mean support levels are vulnerable. However, for downside continuation, we need to see a close below the 200-peirod MA (USD 2,477) and the polarity support at USD 2,468. Failure to do so will warn that resistance levels remains vulnerable. Pirce is weakening, but approaching a support zone, meaning we are at an inflection point.

Zinc Morning Technical (4-hour)

Support		Resistance		Current Price	Bull	Bear
S1	2,682	R1	2,726	2,691		
S2	2,651	R2	2,732			
S3	2,670	R3	2,798			

Source Bloomberg

Synopsis - Intraday

- Price is between the EMA support band (Black EMA's)
- RSI is at 50 (50)
- Stochastic is below 50
- Price is below the daily pivot point USD 2,726
- Technically bearish with a neutral bias yesterday, the probability of the futures trading to a new low had started to decrease. However, the intraday RSI was rejecting a resistance zone with price moving below the two standard deviation line, implying the futures look to be in the early stages of a corrective phase. If we closed below and held below the intraday 200-period MA (USD 2,733), it would warn that the Fibonacci support zone could come under pressure. We continued to have a note of caution on higher moves at those levels due to RSI resistance and the linear regression.
- The futures have entered a corrective phase with price now below the 200-period MA (USD 2,726). We are between the EMA support band with the RSI neutral at 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,726 with the RSI at or above 63 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 2,607 will support a bull argument, below this level the futures will be back in bearish territory.
- Technically bearish with a neutral bias, price has mean reverted back to the linear regression line (USD 2,685). We have closed below and rejected the 200-period MA, implying technical weakness. If we close below and hold below the USD 2,685 level, then the USD 2,607 support will start to become vulnerable; if broken, the wave cycle will be back in bearish territory. For upside continuation, the futures are going to need to close and hold above the USD 2,726 level. Support levels are looking vulnerable due to the RSI rejecting resistance and price closing below the 200-peirod MA.

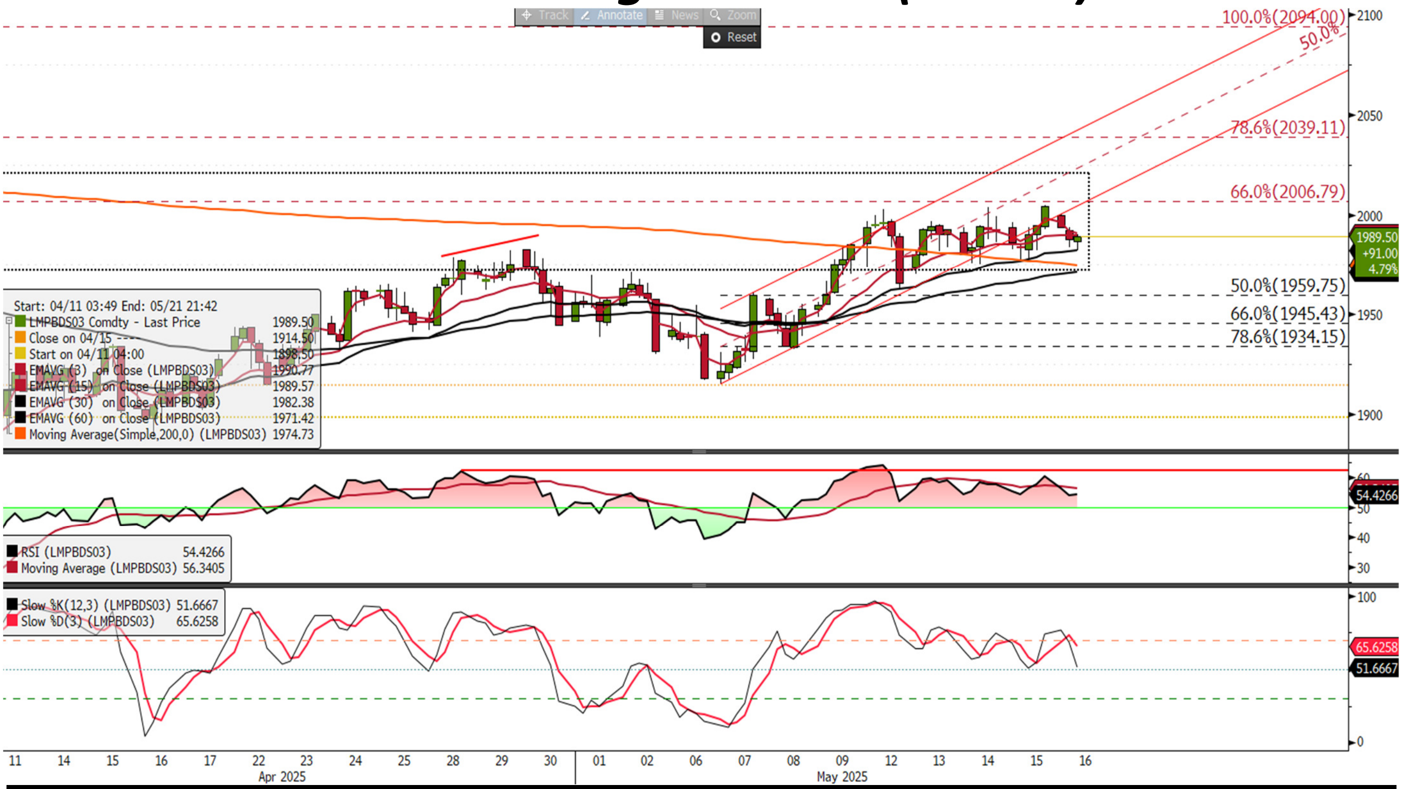
Nickel Morning Technical (4-hour)

Support		Resistance		Current Price	Bull	Bear
S1	15,401	R1	15,726	15,640		RSI below 50
S2	15,222	R2	15,686			
S3	14,980	R3	15,923			

Synopsis - Intraday Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (48)
- Stochastic is above 50
- Price is below the daily pivot point USD 15,726
- Bearish with a neutral bias yesterday, the upside rejection on a high volume candle has resulted in price trading below the intraday 200-period MA (USD 15,694), if we closed below and held below the average it would warn that support levels could be tested and broken. Likewise, a move below USD 15,460 would indicate that the inverse head and shoulders continuation pattern had failed. The rejection implied that recent market longs are exiting, warning support levels are vulnerable.
- The futures closed below but failed to hold below the 200-period MA yesterday (USD 15,686); however, price is selling lower again this morning, with price trading back below the average. We are below the EMA support band with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 15,726 with the RSI at or above 56 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 14,980 will support a bull argument, below this level the technical will be back in bearish territory.
- Bearish with a neutral bias. A failed upside move yesterday (on low volume) has resulted in price moving back below the 200-peirod MA; if we close and hold below it, then the USD 15,460 support will start to become vulnerable. This is the key level on the technical, if broken, it will signal that the bullish continuation inverse head and shoulders pattern has failed. If it does, in theory, we should move lower.

Lead Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	1,974	R1	1,995	1,989.5	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 (54)
- Stochastic is above 50
- Price is below the daily point USD 1,995
- Technically bearish yesterday, the futures remained at an inflection point as price was just above the intraday 200-period MA (USD 1,976); however, the upside move previously had resulted in a small rejection of the USD 2,006 level, and the daily 200-period MA (USD 2,011). If we held above the USD 1,976 level, then resistance levels would remain vulnerable; conversely, a close below that held below the average would imply that resistance levels could come under pressure.
- The futures held above the USD 200-period MA (USD 1,974) and traded to a high of USD 2,005 before selling lower again, resulting in a move back to just above yesterday mornings levels. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 1,991 with the RSI at or above 58.5 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.
- Technically bearish yesterday, the futures are now in a range with price above the 200-period MA but below key resistance at USD 2,006, meaning price action is neutral. Directional bias should in theory come from a close that holds outside of the range. We have moved lower on a negative divergence with the RSI whilst the MA on the RSI is now warning of light momentum weakness. Meaning although price action is neutral, we are cautious on moves higher at this point. We should add, that if the close is outside of the range to the upside, the divergence will need to fail for price to move higher.