Base Morning Technical Report

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Metals

(Bloomberg) -- Base metals rose after a surprising up-tick in US job openings alleviated some concerns about the impact on the global economy from President Donald Trump's wide-ranging tariff spree.
Aluminum and zinc gained on the London Metal Exchange, while copper held near its highest close since April 2, the day that Trump unveiled plans for his sweeping "Liberation Day" tariffs. Iron ore also rebounded after falling in consecutive sessions.
Markets have been boosted by a risk-on mood after data on Tuesday showed there's resilience in the US labor market, with demand for workers robust. That helped temper concerns the global economy will slow as the impact of tariffs hits.
Meanwhile, Trump doubled steel and aluminum levies to 50%, delivering on a promise to try to ramp up domestic manufacturing activities. The move, which came into effect on Wednesday, has been cast by his administration as necessary to protect national security.
Copper was steady on LME at 2:06 p.m. Singapore time, while aluminum rose 0.8% and zinc was up 0.5%. Iron ore contracts in Singapore were trading 0.9% higher to $95.15 a ton, while prices for the steelmaking material gained in Dalian, along with steel in Shanghai.

Copper Morning Technical (4-hour)

Support		Resistance		Current Price	Bull	Bear
S1	9,599	R1	9,664	9,636	RSI above 50	Stochastic overbought
S2	9,498	R2	9,723			
S3	9,430	R3	9,895			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (56)
- Stochastic is overbought
- Price is above the daily pivot point USD 9,599
- The Elliott wave cycle was bearish with a neutral bias yesterday, near-term price action remained bullish but in a corrective phase. The MA on the RSI implied light momentum weakness, whilst price and momentum were aligned to the sell side, warning the USD 9,433.5 fractal support could come under pressure; if broken, we would target the intraday 200-period MA at USD 9,363. Price continued to consolidate below the USD 9,664 fractal high, and the 200-period MA, implying neutrality. As noted previously, we remained cautious on upside breakouts to a new high, as the futures would be in divergence with the RSI, warning we could see a momentum slowdown. For downside continuation, we need to see a close below the 200-period MA at USD 9,363.
- The downside move yesterday held the EMA support band, resulting in price moving higher. 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 9,599 with the RSI at or above 51 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 8,635 will support a bull argument, below this level the technical will be back in bearish territory.
- The consolidation phase looks to be turning into an ascending tringle, in theory, the rising support line suggests the intention is bullish. From a technical perspective, an ascending triangle near the start of a trend is considered as bullish, after a sustained move higher they can also signal a trend termination. From the USD 8,105 low on the 07/04/25 the futures have rallied 19.24% from low to high, meaning we have seen a sustained move higher. Above USD 9,664 we will be in divergence with the RSI, warning buyside momentum could slow, suggesting caution. If we break to the upside, close and hold above the USD 9,664 level, the move is going to need to be supported by a high volume day and a volatility expansion, the divergence will also need to fail. Unless we see this, our technical suggest caution on upside breakouts, as the divergence and the 19.24% rally are currently warning this could be a termination pattern.

Aluminium Morning Technical (4-hour)

Support		Resistance		Current Price	Bull	Bear
S1	2,456	R1	2,487	2,476.5	RSI above 50	Stochastic overbought
S2	2,433	R2	2,497.5			
S3	2,412	R3	2,543.5			

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (54)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,456
- Unchanged on the technical yesterday, we remained bearish with price rejecting the linear regression line yesterday (USD 2,487), warning the 200-period MA at USD 2,434 could be tested and broken. A close below that held below the average would warn of downside continuation; conversely, if the average held, it will suggest there is an underlying support in the market. As highlighted previously, the breach in the USD 2,433 support did suggest that the technical condition is weakening.
- The futures held the 200-period MA support (USD 2,432), resulting in price seeing a small move higher. 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 2,456 with the RSI at or below 45.5 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 holding of the 200-period MA yesterday is warning that there is an underlying support in the market. However, the futures are now approaching the linear regression line at USD 2,487, this has the potential to act as a resistance line. If we close and hold above the line, coupled with the 200-period MA holding, it will leave resistance levels vulnerable. Conversely, failure to hold above the line, or a rejection of it, will warn that the longer-term average could be tested and broken. Based on the rejection of the USD 2,557 resistance previously, alongside the breach in the USD 2,433 support, we maintain a cautious view on upside moves at this point, making the linear regression line the key focus on the chart today.

Zinc Morning Technical (4-hour)

Support		Resistance		Current Price	Bull	Bear
S1	2,707	R1	2,728	2,664		RSI below 50
S2	2,692	R2	2,738.5			
S3	2,660	R3	2,752			

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (56)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,692
- Technically bearish yesterday, the futures had rejected the linear regression line previously, resulting in price selling back to the 200-period MA (USD 2,663). A close below that held below the average would warn that the USD 2,617 fractal low could be tested and broken; conversely, if the average held, it would suggest there was an underlying support in the market. The Elliott wave cycle was back in bearish territory, whilst the rejection of the linear regression line implies selling interest at higher levels; if we close below the weekly pivot level on the daily timeframe (USD 2,658), it would weaken the technical further.
- The futures traded to a low of USD 2,658, before moving higher, meaning the weekly pivot level (USD 2,658) and the 200-period MA (USD 2,660) have held. 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 2,692 with the RSI at or below 47 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.
- Technically bearish, the MA on the RSI implies that we have momentum support, whilst price is trading above the linear regression line (USD 2,707). If we hold above this level, then the USD 2,752 resistance could come under pressure; however, failure to do so will warn that we could test the 200-period MA again (USD 2,660). A close below the longer-term average will warn of intraday weakness; however, with bid support in the market, the technical will need to see a close below the last dominant bull candle on the daily chart (USD 2,627) to signal downside continuation, as this overtaking candle on the 02/06/25 also had volume support.

Nickel Morning Technical (4-hour)

Support		Resistance		Current Price	Bull	Bear
S1	15,426	R1	15,690	15,530	RSI above 50	Stochastic overbought
S2	15,414	R2	15,855			
S3	15,269	R3	15,980			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (54)
- Stochastic is overbought
- Price is below the daily pivot point USD 15,414
- Bearish with a neutral bias yesterday, the futures had closed back below the intraday 200-period MA; we noted that if we hold below it we would target the weekly pivot level at USD 15,269. A close below this level on the daily chart would weaken the technical further, warning support levels could come under pressure. Likewise, a close back above the 200-period MA would indicate that market buyers are supporting price. The futures remained at an inflection point, as we still needed to see if this was a true rejection of the average to signal technical weakness.
- The downside move held above the weekly pivot level, resulting in the futures closing back above the 200-period MA (USD 15,425) 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 15,414 with the RSI at or below 50 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 14,584 will support a bull argument, below this level the technical will be back in bearish territory.
- Bearish with a neutral bias, the MA on the RSI indicates that momentum remains supported with price back above the 200-period MA. However, like yesterday, we still need to see if we are going to see a genuine move away from the average, meaning we remain at an inflection point. I may be reading this wrong due to bias, but from a technical perspective, I remain cautious on upside moves due to the inverse head and shoulder continuation pattern failing previously. Price is now entering the old consolidation zone, that has the potential to act as a resistance, meaning I am cautious on upside moves at this point.

Lead Morning Technical (4-hour)

Support		Resistance		Current Price	Bull	Bear
S1	1,977	R1	1,994.5	1,987	RSI above 50	Stochastic overbought
S2	1,964	R2	2,006			
S3	1,950	R3	2,009			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (55)
- Stochastic overbought
- Price is above the daily point USD 1,977
- Technically bearish yesterday, we noted that if price and momentum became aligned to the sell side, then we would target the intraday 200-period MA at USD 1,951. A close below the average would warn that the USD 1,942 fractal support could be tested and broken; conversely, market sellers should be cautious if the average holds, as it would indicate that there was an underlying support in the market. We were seeing weakness on the open, and the technical was bearish, but we needed to see further downside to convince that the USD 1,915 and USD 1,837.5 fractal support levels could be tested and broken.
- The downside moves failed to hold with price holding above the intraday 200-period MA 1,950, price and momentum did not become aligned to the sell side. the futures are finding bid support, 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 1,977 with the RSI at or below 49 will mean price and momentum are aligned to the sell side. Upside moves 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 we are bearish based on the Elliott wave cycle, but the MA on the RSI is indicating that momentum is supported. Price is now back in the resistance zone highlighted on the chart. If we trade above USD 1,993 it will warn that the USD 2,006 resistance could be tested and broken, if it is, the wave cycle will become neutral again. The techncial is lacking clarity, meaning we are currently neutral.