FIS

Base Morning Technical Report

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Metals

(Bloomberg) -- Copper traded near the highest level in two months as the dollar weakened and supplies were disrupted at major mines.

The red metal on Wednesday touched the highest intraday level since April 2 following reports of production setbacks at sites run by Teck Resources Ltd. and Ivanhoe Mines Ltd. Meanwhile, the greenback traded near the lowest level since 2023, making commodities cheaper to holders of other currencies.

Copper has seen wild fluctuations this year since US President Donald Trump kicked off a global trade war that includes hefty tariffs on some industrial metals.

Copper rose 0.2% to $9,639.50 a ton on the London Metal Exchange as of 12:18 p.m. in Shanghai. The metal rose to as high as $9,675 a ton on Wednesday.

Elsewhere, the US aluminium association has urged the Trump administration to reconsider the 50% tariffs on imports due to the negative impact it will have on local manufacturers. The light metal was unchanged $2,483.50, after rising 0.8% on Wednesday.

Prices of the most widely-used metal may jump to $3,000 a ton by the end of next year due to constrained global supply and higher US demand from potential trade deals, according to research firm Harbor Aluminum.

Copper Morning Technical (4-hour)

Support		Resistance		Current Price	Bull	Bear
S1	9,546	R1	9,633	9,626.5	RSI above 50	Stochastic overbought
S2	9,504	R2	9,675			
S3	9,430	R3	9,723			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (54)
- Stochastic is overbought
- Price is below the daily pivot point USD 9,633
- We noted yesterday that the consolidation phase looked to be turning into an ascending tringle, in theory, the rising support line suggested the intention was 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 signal a trend termination. From the USD 8,105 low on the 07/04/25 the futures had rallied 19.24% from low to high, meaning we had seen a sustained move higher. Above USD 9,664 price would be in divergence with the RSI, warning buyside momentum could slow, suggesting caution above this level. If we broke to the upside, closed and held above the USD 9,664 level, the move was going to need to be supported by a high volume day and a volatility expansion, the divergence would also need to fail. Unless we saw this, our technical suggested caution on upside breakouts, as the divergence and the 19.24% rally were currently warning this could be a termination pattern.
- The futures traded to a high of USD 9,675 before seeing a small pullback due to the divergence. 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 9,633 with the RSI at or below 52.5 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.
- We remain in a consolidation phase with price just below the upper resistance area (USD 9,664—USD 9,675). As noted yesterday, for upside continuation, the futures are going to need to close above and hold above this level; preferably with a volume and volatility expansion and a divergence failure. At this point, we remain cautious on upside breakouts due to the divergence in play, alongside the possibility that the ascending triangle looks like it could a termination patter, rather than a continuation.

Aluminium Morning Technical (4-hour)

Support		Resistance		Current Price	Bull	Bear
S1	2,433	R1	2,482	2,476.5	RSI above 50	Stochastic overbought
S2	2,412	R2	2,490			
S3	2,377	R3	2,543.5			

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (52)
- Stochastic is overbought
- Price is below the daily pivot point USD 2,482
- Technically bearish yesterday, the holding of the 200-period MA previously warned that there was an underlying support in the market. However, the futures were approaching the linear regression line at USD 2,487, this had the potential to act as a resistance line. If we closed and held above the line, coupled with the 200-period MA holding, it would leave resistance levels vulnerable. Conversely, failure to hold above the line, or a rejection of it, would 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 maintained a cautious view on upside moves at that point, making the linear regression line the key focus on the chart today.
- The futures traded above but failed to hold above the linear regression line yesterday, resulting in price selling lower in the Asian day session. We are above the EMA support band with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 2,482 with the RSI at or below 50.5 will mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is 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.
- The Elliott wave cycle remains bearish with price in the process of rejecting the linear regression line (USD 2,490); if we close on the 4-hour candle below the EMA support band (USD 2,464) it will warn that the 200-period MA at USD 2,432 could come under pressure. Conversely, if we do see a close above that holds above the USD 2,490 level, it will support an intraday bull argument. As noted previously, having rejected the USD 2,557 resistance, and breached the USD 2,433 support, we continue to be cautious on moves higher at this point.

Zinc Morning Technical (4-hour)

Support		Resistance		Current Price	Bull	Bear
S1	2,658	R1	2,707	2,693		
S2	2,631	R2	2,738.5			
S3	2,627	R3	2,752			

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is at 50 (50)
- Stochastic is above 50
- Price is below the daily pivot point USD 2,707
- Technically bearish yesterday, the MA on the RSI implied that we had momentum support, whilst price was trading above the linear regression line (USD 2,707). If we held above this level, then the USD 2,752 resistance could come under pressure; however, failure to do so would warn that we could test the 200-period MA again (USD 2,660). A close below the longer-term average would warn of intraday weakness; however, with bid support in the market, the technical would need to see a close below the last dominant bull candle on the daily chart (USD 2,627) to signal downside continuation, as the overtaking candle on the 02/06/25 also had volume support.
- The futures traded to a high of USD 2,730; however, price has failed to hold above the linear regression line, resulting in a small move lower. 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 2,707 with the RSI at or above 55 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.
- Technically we remain bearish with price back below the linear regression line (USD 2,709), creating a small upside rejection candle on the daily chart; note: a close back above that holds the line will further support a buyers argument. As noted yesterday, for downside continuation the futures will need to see a daily close below the last dominant bull candle (USD 2,627), as this high volume candle has the potential to act as support.

Nickel Morning Technical (4-hour)

Support		Resistance		Current Price	Bull	Bear
S1	15,269	R1	15,420	15,595		RSI below 50
S2	15,172	R2	15,690			
S3	15,000	R3	15,855			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (48)
- Stochastic is below 50
- Price is below the daily pivot point USD 15,420
- Bearish with a neutral bias yesterday, the MA on the RSI indicated that momentum remained supported with price back above the 200-period MA. However, as highlighted previously, we still needed to see if we are going to see a genuine move away from the average, meaning we remained at an inflection point. I noted that I may be reading the technical wrong due to bias, but from a technical perspective, I remained cautious on upside moves due to the inverse head and shoulder continuation pattern failing previously. Price was entering the old consolidation zone, that had the potential to act as a resistance, meaning I was cautious on upside moves at that point.
- The futures traded to a high of USD 15,535 before entering a small corrective phase in the Asian day session. We are below the EMA resistance 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 15,420 with the RSI at or below 53 will mean price and momentum are aligned to the buyside. 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.
- Unchanged on the technical this morning, the MA on the RSI implies that we have light momentum weakness. The futures remain at an inflection point, as price continues to trade around the 200-period MA (USD 15,416). As noted previously, we continue to have a note of caution on moves higher due to the inverse head and shoulders continuation pattern failing, alongside the consolidation zone above us.

Lead Morning Technical (4-hour)

Support		Resistance		Current Price	Bull	Bear
S1	1,964	R1	1,988	1,980	RSI above 50	Stochastic overbought
S2	1,951	R2	1,994.5			
S3	1,946	R3	2,006			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (51)
- Stochastic overbought
- Price is below the daily point USD 1,988
- Technically we were bearish based on the Elliott wave cycle yesterday, but the MA on the RSI indicated that momentum was supported. We noted that price was back in the resistance zone highlighted on the chart. If we traded above USD 1,993 it would warn that the USD 2,006 resistance could be tested and broken, if it was, the wave cycle would become neutral again. The technical was lacking clarity, meaning we were neutral.
- The futures traded to a high of USD 1,994.5 before selling lower. We are above the EMA support band with the RSI near -neutral at 51, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 1,988 with the RSI at or above 54.5 will mean price and momentum are aligned to the buyside. 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.
- Unchanged on the technical this morning, we remain bearish with the futures trading in the resistance zone. If we look on the daily chart, the futures are consolidating, having failed to close outside of the range of the last dominant bear candle on the 19/05/25. Daily price action is neutral, for downside continuation we will need to see a daily close below USD 1,957, or above USD 2,009. Price action is currently neutral.

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