



Base Morning Technical Report

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(Bloomberg) -- Copper reversed losses after China's growing domestic consumption outweighed the impact of worsening home prices on the top metals market.

Retail sales climbed 6.4% last month, the fastest since December 2023 and exceeding all estimates, according to official data released Monday.

Strong consumption may have been driven by an annual shopping festival and government subsidies, a boost to the country's economy weighed down by international trade wars and a property crisis at home.

China's property market, a key sector supporting base metal demand, saw a 0.2% decline in new home prices 70 cities from April, suggesting that the effect of a stimulus blitz last September may be wearing off.

Aluminum output hit a record high of 3.83 million tons in May, as falling coal-power costs bolstered smelters' margins further.

Copper was little changed at \$9,644 a ton on the London Metal Exchange as of 11:43 a.m. in Shanghai. Aluminum fell 0.7% to \$2,484.50 a ton.

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,629	R1 9,660	9,634		RSI below 50
S2	9,595	R2 9,712			
S3	9,486	R3 9,809.5			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- The RSI below 50 (47)
- Stochastic is below 50
- Price is above the daily pivot point USD 9,629
- Unchanged on the technical on Friday, we remained bullish with the MA on the RSI implying momentum was weak. As noted previously, the failure to make a new high on the divergence threat had resulted in near-term trend support being broken, meaning we were cautious on moves higher. However, for downside continuation, the futures would need to trade below the USD 9,595 Fibonacci support. If we did, then the probability of price trading to a new high would start to decrease; whilst above the USD 9,595, resistance levels were still vulnerable.
- We sold to a low of USD 9,532 on Friday, before finding bid support on. We are below the EMA support band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 9,629 with the RSI at or above 50.5 will mean price and momentum are aligned to the buy side; likewise, a close below this level with the RSI at or below 46 will mean it is aligned to the sell side. Up-side moves that fail at or below USD 9,712 will leave the futures vulnerable to further tests to the downside, above this level the technical will be back in bullish territory.
- Technically bullish with a neutral bias, the probability of price trading to a new high has started to decrease. The downside move has held the trend support that was created on the first ascending triangle, whilst the MA on the RSI is now flat, implying momentum is neutral. The depth of the pullback means we continue to have a note of caution on moves higher whilst below the USD 9,712 resistance; however, if this level is broken, then the futures will be back in bull territory.

Aluminium Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	2,463	R1	2,492	2,483.5		RSI below 50
S2	2,452	R2	2,500			
S3	2,433	R3	2,529.5			

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (48)
- Stochastic is below 50
- Price is below the daily pivot point USD 2,500
- Unchanged on Friday, near-term price action remained bullish, whilst the longer-term Elliott wave cycle was bearish below USD 2,557, and neutral above. High volume candles on the 11/06 indicate selling resistance in the market, the USD 2,505.5 low previously resulted in a high volume support candle, creating the consolidation phase. We were cautious on moves higher due to the selling resistance and the potential divergence above USD 2,529.5; however, for downside continuation, the futures would need to close and hold below the linear regression line (USD 2,502). Neutral.
- The futures sold and closed below the linear regression line (USD 2,502) before finding light bid support. The intraday bid support looks to be in the process of rejecting the linear regression line, as price has sold lower in the Asian day session. 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 2,00 with the RSI at or above 58 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below 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 weak, warning trend support at USD 2,463 could come under pressure. However, having sold to a low of USD 2,471 on Friday, the futures did find light bid support on a high volume candle (highlighted, red circle). A close below the low of this candle (USD 2,488.5) will be needed for downside continuation; failure to do so will warn that there is underlying support in the market. Likewise, a close above the linear regression line (USD 2,502) will indicate that buy side pressure is increasing.

Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	2,618	R1	2,643	RSI below 50
S2	2,590	R2	2,659	
S3	2,546	R3	2,684	

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (45)
- Stochastic is below 50
- Price is above the daily pivot point USD 2,618
- Technically bearish on Friday, we were testing the standard deviation support for a third time. The continued testing of the support warned that it could be broken; however, as noted previously, for downside continuation, the futures needed to close below the low of the high volume bullish support candle on the daily chart (USD 2,627). If we did, it would warn of downside continuation, suggesting the linear line should then be run from the USD 2,786 high, rather than the USD 2,515.5 low.
- The futures sold to a low of USD 2,582 with price closing at USD 2,623 on the daily chart. We are below all key moving averages supported by the RSI below 50. We did see light bid support into the close, and in the Asian day session; however, price and momentum are aligned to the sell side, as the previous candle closed below the daily pivot whilst the RSI was below 50.
- A close on the 4-hour candle above USD 2,623 with the RSI at or above 45.5 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 2,716 will leave the futures vulnerable to further tests to the downside, above this level will imply buy side pressure is increasing, warning the USD 2,786 fractal high could come under pressure.
- Technically bearish supported by the close below the USD 2,627 level. The futures breached the USD 2,590 fractal support on the move lower on Friday, warning upside moves could struggle to hold. However, a close above that holds above the linear regression line (USD 2,643) will indicate that buy side pressure is increasing, meaning the USD 2,716 resistance could come under pressure. Conversely, a rejection of the USD 2,643 level will suggest we should see downside continuation.

Nickel Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	15,132	R1	15,252	15,145	Stochastic oversold	RSI below 50
S2	14,922	R2	15,405			
S3	14,585	R3	15,511			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (42)
- Stochastic is oversold
- Price is below the daily pivot point USD 15,132
- Technically bearish with a neutral bias on Friday, the futures were finding light bid support on the positive divergence with the RSI; however, lower timeframe Elliott wave analysis did suggest that upside moves could struggle to hold at that point. From an Elliott wave perspective, intraday price needed to move higher to sell lower. Due to the divergence in play, we had a note of caution on downside breakouts below USD 15,070.
- Sideways action on Friday, the futures sold to a low of USD 15,045 in the Asian day session today, However, due to the divergence in play, the downside move is struggling to hold. We are below all key moving average supported by the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 15,132 with the RSI at or below 38.5 will mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is aligned to the buy 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.
- Technically bearish, although price action on Friday was sideways, the move up to USD 15,200 in the afternoon session did result in our lower timeframe oscillators crossing above zero. The oscillator cross was marginal, but suggests that the move lower this morning looks to have been an Elliott wave 5, meaning we are now caution on moves lower at this point. A cautious bear, as resistance levels could come under pressure. A close on the daily chart above the weekly pivot level (USD 15,252) will indicate that buy side pressure is increasing.

Lead Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	1,967	R1	1,991	1,987.5		
S2	1,957	R2	2,006			
S3	1,946	R3	2,009			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is at 50 (50)
- Stochastic is below 50
- Price is below the daily point USD 1,991
- Unchanged again on Friday, we remain technically neutral, directional bias should come from a daily close outside of the USD 1,957—USD 2,009 range.
- The futures had a small move lower but remain supported, we are above 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 1,993 with the RSI at or below 56.5 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.
- Technically neutral, directional bias should come from a daily close outside of the USD 1,957—USD 2,009 range. Note: the point an figure chart is warning of buyside support in the market, implying resistance levels are vulnerable.