



Base Morning Technical Report

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Cu

(Bloomberg) -- The so-called tom/next spread — the difference between prices tomorrow and the next day — for copper spiked to the highest level since January 2022 on the London Metal Exchange, a sign that spot buyers are facing a tight supply of available metal on the bourse.

Copper contracts maturing tomorrow trade at \$30/ton premium to the following day's contract, in condition known as backwardation

NOTE: On-warrant copper inventories at LME warehouses have plunged to lowest since 2023

Copper Morning Technical (4-hour)



| Support | Resistance | Current Price | Bull | Bear |
|---------|------------|---------------|------|-----------------------|
| S1 | R1 | 9,678.5 | | Stochastic overbought |
| S2 | R2 | | | |
| S3 | R3 | | | |

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI at 50 (50)
- Stochastic is overbought
- Price is on the daily pivot point USD 9,678
- Technically bullish with a neutral bias yesterday, the probability of price trading to a new high had started to decrease. The downside move had held the trend support that was created on the first ascending triangle, whilst the MA on the RSI was flat, implying momentum was neutral. The depth of the pullback meant we continued 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.
- The futures traded to a high of USD 9,719.5, meaning the technical is back in bullish territory. We are above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buy side as the previous candle closed on, not below the daily pivot level.
- A close on the 4-hour candle below USD 9,678 with the RSI at or below 46.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 9,595 will support a bull argument, below this level the technical will have a neutral bias. Note: this support is back in play due to the move above the USD 9,712 level.
- Technically bullish, the MA on the RSI remains flat, implying near-term momentum is neutral, as is the EMA band. We having broken the USD 9,595 support on the move lower, but price has held trend support and broken key resistance on the move higher. Price is in bullish territory; however, we are neutral as daily price action is sideways, alongside intraday momentum and the EMA's, whilst the Elliott wave cycle is unclear. Neutral.

Aluminium Morning Technical (4-hour)



| Support | | Resistance | | Current Price | Bull | Bear |
|---------|-------|------------|---------|---------------|--------------|-----------------------|
| S1 | 2,506 | R1 | 2,529.5 | 2,507 | RSI above 50 | Stochastic overbought |
| S2 | 2,492 | R2 | 2,557 | | | |
| S3 | 2,433 | R3 | 2,607 | | | |

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA support band (Black EMA's)
- RSI is above 50 (53)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,506
- Technically bearish yesterday, the MA on the RSI implied that momentum was 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 had found light bid support on a high volume candle (highlighted, red circle). A close below the low of this candle (USD 2,488.5) would be needed for downside continuation; failure to do so would warn that there is underlying support in the market. Likewise, a close above the linear regression line (USD 2,502) would indicate that buy-side pressure is increasing.
- The futures moved higher due to the bull support candle highlighted yesterday, price is now trading on the linear regression line (USD 2,506). 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 2,506 with the RSI at or above 55.5 will mean price and momentum are aligned to the buy-side; likewise, a close below this level with the RSI at or below 51 will mean it is aligned to the sell 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.
- The longer-term Elliott wave cycle remains bearish, near-term price action is bullish. Lower timeframe Elliott wave analysis suggests that the USD 2,529.5 resistance remains vulnerable; however, above this level the futures will be in divergence with the RSI, meaning we are cautious on upside breakouts above this level. Technically we could move higher in the near-term, but the move is unlikely to hold unless we see divergence failures, as the upside push needed would have to be very strong. Point of note, price is currently struggling to close above the weekly 200-period MA (USD 2,522). For upside continuation, we will need to see a weekly close that holds above this level, alongside a divergence failure above USD 2,543.5. If we achieve this, we will then need to close and hold above the resistance zone (USD 2,562—USD 2,583) that has been in play since the support break at the end of March 2025. For this reason, we are maintaining a cautious view on moves higher.

Zinc Morning Technical (4-hour)



| Support | Resistance | Current Price | Bull | Bear |
|---------|------------|---------------|------|--------------|
| S1 | R1 | 2,646.5 | | RSI below 50 |
| S2 | R2 | | | |
| S3 | R3 | | | |

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (49)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,644
- Technically bearish yesterday due to 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 held above the linear regression line (USD 2,643) would indicate that buyside pressure was increasing, meaning the USD 2,716 resistance could come under pressure. Conversely, a rejection of the USD 2,643 level would suggest we should see downside continuation.
- The futures closed and remain above the linear regression line (USD 2,641); however, price is currently finding resistance at the 200-period MA (USD 2,663). We are below the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,644 with the RSI at or below 42.5 will mean price and momentum are aligned to the sell 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 buyside pressure is increasing, warning the USD 2,786 fractal high could come under pressure.
- Technically bearish, having closed below the USD 2,627 level previously, the daily candle yesterday has produced a close above the high of the low candle, having seen increased volume in the last two sessions, implying there is an underlying support in the market. The MA on the RSI implies light momentum support; if we hold above the linear regression line and close and hold above the intraday 200-period MA, then the USD 2,684 resistance will start to look vulnerable, and potentially the USD 2,716 level. Conversely, a daily close above USD 2,663 will imply buyside pressure is increasing. For downside continuation, the futures will need to close below the low of the last intraday dominant bull candle (USD 2,632.5). Although bearish, we are seeing an underlying support in the market, making the 200-period MA a key average that needs to hold for market bears.

Nickel Morning Technical (4-hour)



| Support | | Resistance | | Current Price | Bull | Bear |
|---------|--------|------------|--------|---------------|---------------------|--------------|
| S1 | 14,922 | R1 | 15,123 | 14,980 | Stochastic oversold | RSI below 50 |
| S2 | 14,585 | R2 | 15,252 | | | |
| S3 | 14,317 | R3 | 15,493 | | | |

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (36)
- Stochastic is oversold
- Price is below the daily pivot point USD 15,123
- Technically bearish yesterday, although price action on Friday had moved 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 suggested that the downside move previously looked to have been an Elliott wave 5, meaning we were cautious on moves lower at that 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) would indicate that buy-side pressure was increasing.
- The futures had a test to the upside but rejected the USD 15,252 resistance, resulting in price selling to a new low. We are below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 15,123 with the RSI at or above 43 will mean price and momentum are 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, the move lower means the near-term divergence has failed; however, there remains a longer-term divergence in play, meaning we remain cautious on downside moves at these levels. Upside moves above the intraday fractal resistance (USD 15,275) will warn that the lower timeframe wave cycle has completed, leaving resistance levels vulnerable.

Lead Morning Technical (4-hour)



| Support | | Resistance | | Current Price | Bull | Bear |
|---------|-------|------------|-------|---------------|--------------|------|
| S1 | 1,988 | R1 | 2,002 | 1,988.5 | RSI below 50 | |
| S2 | 1,979 | R2 | 2,006 | | | |
| S3 | 1,967 | R3 | 2,009 | | | |

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA support band (Black EMA's)
- RSI is below 50 (49)
- Stochastic is above 50
- Price is below the daily point USD 2,002
- Technically neutral yesterday, we noted that directional bias should come from a daily close outside of the USD 1,957—USD 2,009 range. We also noted that the point an figure chart warned of buy-side support in the market, implying resistance levels were vulnerable.
- The futures traded to a high of USD 2,016 but failed to close above the USD 2,009 level. Price has sold lower this morning, meaning we are between the EMA support band with the RSI near neutral at 49. Intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,002 with the RSI at or above 57 will mean price and momentum are aligned to the buy-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.
- Although we traded to a new high, we failed to close outside of the dominant bear candle, meaning price action is still considered as neutral. As noted previously, directional bias should come from a daily close outside of the USD 1,957—USD 2,009 range.

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