



Base Morning Technical Report

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(Bloomberg) -- Copper headed for the best weekly gain since April as traders monitor a major supply squeeze on the London Metal Exchange.

Prices rose for a sixth day as spot premiums surged due to plunging exchange inventories, straining buyers' ability to secure supplies. Contracts due in one day spiked to \$98 a ton on Thursday, the highest level since an historic short squeeze in 2021, before easing to \$45 on Friday. The cash-to-July spread also climbed to \$230.86 a ton.

London copper has risen 13% this year, after US President Donald Trump's plans for levying tariffs on the metal caused supplies dislocations. Traders have been shipping record volumes to the US, creating a shortage on the LME and in China.

Chinese smelters are ramping up exports to cover their positions on the LME, potentially depleting inventories further in the world's top market for the metal.

LME copper rose 0.1% to \$9,904.50 a ton as of 10:13 a.m. in Shanghai, up 2.8% for the week. Other metals were largely steady.

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,847	R1	9,911	RSI above 50	Stochastic overbought
S2	9,769	R2	10,013		
S3	9,724	R3	10,101		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (54)
- Stochastic is overbought
- Price is above the daily pivot point USD 9,847
- Technically bullish yesterday, the MA on the RSI implied that momentum was supported, whilst price remained above key longer-term averages on the intraday and daily timeframe, warning the USD 9,809.5 fractal resistance could be tested and broken. However, we continued to have a note of caution on upside breakouts, as price would be in divergence with the RSI, leaving the technical vulnerable to a momentum slowdown above USD 9,809.5.
- A strong upside move yesterday resulted in price trading above the USD 9,809.5 fractal high. 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 9,847 with the RSI at or below 52 will mean price and momentum are aligned to the sell side. downside moves that hold at or above USD 9,662 will support a bull argument.
- Technically bullish, the MA on the RSI implies that momentum is supported. The RSI is testing resistance, meaning we still have a very minor divergence in play, warning the futures are vulnerable to an intraday pullback. However, the upside breakout is supported by a high volume and above average candle length (volatility expansion), warning there could be further upside still to follow. A close below the low of the breakout candle (USD 9,761) will indicate that sell side pressure is increasing, whilst a move below USD 9,662 will warn that the probability of the futures trading to a new high has started to decrease. The high volume candle warns that downside moves could be countertrend in the near-term.

Aluminium Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	2,579	R1	2,619	2,582	RSI above 50	Stochastic overbought
S2	2,563	R2	2,624			
S3	2,548	R3	2,654.5			

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (58)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,579
- Near-term price action remained bullish yesterday; however, the MA on the RSI implied that momentum was weakening. We were trading on the daily 200-period MA (USD 2,567), a close that held below the average on the higher timeframe would indicate that sell side pressure is increasing, warning the USD 2,545 support could be tested. As highlighted previously, we had two standard deviation resistances on bull and bear daily regression lines between USD 2,609—USD 2,616, meaning we were cautious on upside moves, as they could struggle to hold if we approached the resistance zone. We were seeing signs of weakness on the technical but need to see a close below the daily 200-period MA.
- The futures held above the daily 200-period MA yesterday (USD 2,563) resulting in 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 2,579 with the RSI at or below 56 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,471 will support a bull argument, below this level the technical will be back in bear territory.
- Technically bullish, the MA on the RSI is now flat, implying momentum is neutral. As noted previously, we have linear regression resistance on the daily chart (2 stdv above bull and bear lines) between USD 2,615—USD 2,624, meaning we remain cautious on upside moves around this area in the near-term. However, lower timeframe Elliott wave analysis does suggest that intraday downside moves have the potential to be countertrend. A close that holds below the intraday linear-regression support on the 4-hour candle (USD 2,551) will warn that the Fibonacci support zone could come under pressure; likewise, a daily close that holds below the daily 200-period MA will also indicate that sell side pressure is increasing. We remain cautious on moves higher in the near-term, as the daily linear regression resistance warns that we could struggle to hold.

Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,767	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (68)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,750
- Near-term price action remained bullish yesterday with price making new highs. The MA on the RSI implied momentum was supported; however, we still had a minor divergence with the RSI which needed to be monitored, as it the futures were vulnerable to an intraday pullback. However, lower timeframe Elliott wave analysis warned that downside moves should be considered as countertrend.
- The futures continued to move higher with the 1-hour RSI making a new high, meaning the lower timeframe divergence has failed. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 2,750 with the RSI at or below 61 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,669 will support a bull argument,; likewise, upside moves that fail at or below USD 2,831 will leave the futures vulnerable to further tests to the downside, above this level the higher timeframe Elliott wave cycle will have a neutral bias.
- Near-term price action remains bullish with the MA on the RSI implying that momentum is supported at this point. However, the futures are finding resistance at two standard deviations above the linear regression line (USD 2,776), leaving the futures vulnerable to an intraday pullback. With the RSI now making new highs on both the 4-hour and 1-hour timeframes, downside moves look like they could be countertrend, this is supported by lower timeframe Elliott wave analysis. If we do trade below the USD 2,669 level, then the probability of price trading to a new high will start to decrease. We are cautious on upside moves at these levels, as linear regression resistance is warning that we are looking over extended to the upside in the near-term.

Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,731	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (64)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,704
- Near-term price action remained bullish yesterday, suggesting the USD 2,716 resistance would be tested and broken, a rising MA on the RSI supported this. However, we had a note of caution on upside breakouts above USD 2,715.5, as it would create a negative divergence on the 1-hour timeframe, warning we could see a momentum slowdown. Lower timeframe Elliott wave analysis (sub 1-hour), indicated that downside moves should be considered as countertrend.
- The futures traded above the USD 2,715.5 level yesterday with price continuing to find bid support today. 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 2,704 with the RSI at or below 57 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,653 will support a bull argument, a move below this level will leave the USD 2,613 support vulnerable.
- Price action remains bullish with the MA on the RSI implying momentum is supported; however, we do still have a minor divergence on the 1-hour chart that needs to be monitored, as it warns we could see a momentum slowdown. As highlighted previously, lower timeframe Elliott wave analysis suggests downside moves should be considered as countertrend. We remain cautious on moves higher at these levels whilst the divergence is in play.

Nickel Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	15,084	R1	15,183	15,155	RSI above 50	Stochastic overbought
S2	15,027	R2	15,291			
S3	14,949	R3	15,389			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (55)
- Stochastic is overbought
- Price is below the daily pivot point USD 15,183
- Technically bullish yesterday, the MA on the RSI implied that momentum was supported. The move above the USD 15,140 fractal resistance suggested that the lower timeframe Elliott wave cycle had completed, warning downside moves had the potential to be countertrend, making USD 14,936 the key support to follow. If broken, then the probability of the futures trading to a new high would start to decrease. Technically we were bullish with price breaking trend resistance; however, near-term price action was overbought on the lower timeframe, warning price is vulnerable to an intraday pullback.
- The futures have seen an intraday pullback. We remain above the EMA resistance band supported by the RSI above 50, intraday price and momentum are now conflicting.
- A close on the 4-hour candle below USD 15,183 with the RSI at or below 51.5 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 14,949 will support a bull argument, below this level the technical will be back in bearish territory.
- Technically bullish, the MA on the RSI implies that momentum remains supported at this point; if price and momentum become aligned to the sell side, then we could see Fibonacci support levels coming under pressure, making USD 14,949 the key support to follow. If broken, then the probability of the futures making a new high will start to decrease. As noted previously, the bearish Elliott wave cycle looks to have completed, suggesting downside moves should be considered as countertrend.

Lead Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	2,019	R1	2,040	2,029	RSI above 50	Stochastic overbought
S2	2,010	R2	2,064			
S3	1,997	R3	2,082			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (56)
- Stochastic is overbought
- Price is below the daily point USD 2,040
- Near-term price action was bullish yesterday with the MA on the RSI implying momentum was supported. The RSI breakout previously implied that downside moves should be considered as countertrend, this was supported by the RSI divergence failing. We did highlight a minor divergence with the RSI coming into play that needed to be monitored. Downside moves below USD 1,997 would be considered as deep, indicating that the probability of price trading to a new high would start to decrease.
- The Futures traded to a high of USD 2,049.5 before entering a corrective phase. We are above the EMA support band with the RSI above 50, intraday price and momentum are now aligned to the sell side.
- A close on the 4-hour candle below USD 2,040 with the RSI at or above 61 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 1,997 will support a bull argument, below this level the technical will be back in bearish territory.
- Technically bullish, the MA on the RSI implies that we have light momentum weakness. However, as noted previously, the divergence failure coupled with the RSI making a new high suggests that downside moves should be considered as countertrend, making USD 1,997 the key support to follow. If broken, then the probability of the futures trading to a new high will start to decrease.