FIS

Base Morning Technical Report

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(Bloomberg) -- Copper is drifting lower on the London Metal Exchange as traders expect more supply to become available as the US moves to impose 50% tariffs on imports.
The metal has retreated from a three-month high seen in early July after President Donald Trump said he'll start levies on imports from Aug. 2. Inventories in Asia have already started to rise as the deadline spells an end to a scramble by traders to get metal into the US.
Stockpiles held in LME warehouses worldwide climbed by 10,525 tons, the most since mid-February, according to data released on Wednesday. Most of the tonnage was in newly-listed sheds in Hong Kong. Inventories are also now at unusually high levels in the US, limiting further price gains there even with a formidable tariff in the offing.
There is still uncertainty over the precise details of the proposed US tariffs. Analysts and traders have speculated about potential exemptions for particular countries or companies, or for some products.
LME copper was little changed on the LME at $9,633 a ton as of 12:06 p.m. Shanghai time. It's down more than 2% this month. Futures on the Comex exchange fell 0.1%.
Meanwhile, Chinese data for June showed the country's copper production extending a long boom, with output reaching a fresh monthly record of 1.3 million tons. Smelters in the world's biggest supplier have defied plunging treatment fees to keep churning out product: total first-half output was up nearly 10%.

Copper Morning Technical (4-hour)

Support		Resistance		Current Price	Bull	Bear
S1	9,574	R1	9,692	9,629		RSI below 50
S2	9,517	R2	9,700			
S3	9,488	R3	9,787			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- The RSI below 50 (44)
- Stochastic is at 50
- Price is below the daily pivot point USD 9,629
- Unchanged on the technical yesterday, we remained bearish with the MA on the RSI implying we had light momentum support. We remained cautious on moves below USD 9,553.5 as the futures would be in divergence with the RSI, suggesting downside breakouts could struggle to hold. We also continued to highlight two high volume candles that had created fractal support levels (USD 9,575—USD 9,553.5) indicating market buyers at lower levels. Although bearish, the technical had a neutral bias due to underlying support and the potential divergence. A daily close back above the USD 9,700 level would indicate buyside pressure is increasing.
- The futures continue to consolidate with little price movement in the last two sessions. We remain below all key moving averages supported by the RSI below 50, intraday price and momentum are conflicting, as the previous candle closed below the daily pivot level.
- A close on the 4-hour candle below USD 9,629 with the RSI at or below 41.5 will mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is aligned opt the buyside. Upside moves that fail at or below USD 9,861 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 again today, we remain bearish with the MA on the RSI implying we have light momentum support. We continue to be cautious on moves below USD 9,553.5 as thpricewill be in divergence with the RSI, suggesting downside breakouts could struggle to hold. We also continue to highlight two high volume candles that have created fractal support levels (USD 9,575—USD 9,553.5) indicating market buyers at lower levels. Although bearish, the technical has a neutral bias due to underlying support and the potential divergence. A daily close back above the USD 9,700 level will indicate buyside pressure is increasing. (most of this rhetoric is unchanged for the last two sessions due to the lack of price movement)

Aluminium Morning Technical (4-hour)

Support		Resistance		Current Price	Bull	Bear
S1	2,567	R1	2,586	2,575.5	Stochastic oversold	RSI below 50
S2	2,540	R2	2,608			
S3	2,530	R3	2,624			

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (45)
- Stochastic is oversold
- Price is on the daily pivot point USD 2,575
- Bearish with a neutral bias yesterday, the futures were trading in the bull support zone highlighted previously. A close that held below the USD 9,579.5 level would indicate sell side pressure was increasing; conversely, if we held support the futures would need to close above the linear regression line (USD 9,608), if we did, then trend resistance at USD 2,632 could come under pressure. Price was currently on support at an inflection point.
- The futures sold to a low of USD 2,562 before finding light bid support on a higher than average volume candle. 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 2,575 with the RSI at or above 49.5 will mean price and momentum are aligned to the buyside; likewise, a close below this level will mean it is aligned to the sell side. Downside moves that hold at or above USD 2,503 will support a bull argument, below this level the technical will be back in bearish territory.
- The futures remain bearish with a neutral bias whilst the MA on the RSI implies that we have light momentum weakness. We have closed below the USD 2,579.5 level, however, the downside moves is struggling to hold due to another high volume support candle. We are currently below but testing the USD 2,581—USD 2,579.5 support are highlighted previously; if rejected, it will create a polarity resistance warning 200-peirod MA at USD 2,534 could come under pressure. Conversely, a close on the 4-hour candle back above the USD 2,581 level will confirm the bullish support candle, warning we move higher.

Zinc Morning Technical (4-hour)

Support		Resistance		Current Price	Bull	Bear
S1	2,700	R1	2,717	2,711.5		RSI below 50
S2	2,695	R2	2,733			
S3	2,682	R3	2,747			

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (46)
- Stochastic is below 50
- Price is above the daily pivot point USD 2,700
- Bullish with a neutral bias yesterday, the futures were testing the 200-period MA and the linear regression support (USD 2,691), meaning we had a note of caution on downside moves in the near-term. However, we noted that if we closed and held below the USD 2,694 level, and traded below the USD 2,675 fractal low, then we would run the linear regression from the USD 2,785 high, rather than the USD 2,582 low. Whilst above the support, the futures are not considered a technical sell.
- The futures sold to a low of USD 2,676 but failed to hold below the 200-period MA (USD 2,695), resulting in price moving higher. 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 2,700 with the RSI at or below 41 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,747 will warn that there is further downside within this corrective phase, above this level the technical will be back in bullish territory.
- The futures remain bullish with a neutral bias having failed to close below the USD 2,675.5 fractal support. The depth of the pullback suggests that the probability of the futures trading to a new high has decreased, making USD 2,747 the key resistance to follow; if broken, then the technical will be back in bullish territory. Conversely, a close that holds below the longer-term average will leave support levels vulnerable. Price is moving higher having held the two standard deviations support below the linear regression line, whilst in divergence with the RSI on the 1-hour timeframe, meaning we are cautious on downside moves again today. A daily close above the weekly pivot level (USD 2,733) will warn the USD 2,747 fractal resistance could be tested and broken. The deep pullback suggests caution on higher moves; however, the upside move on the divergence with price above the 200-period MA implies there is an underlying support in the market. The technical suggests that resistance levels are becoming vulnerable, despite the deep pullback.

Nickel Morning Technical (4-hour)

Support		Resistance		Current Price	Bull	Bear
S1	19,940	R1	15,082	15,065	Stochastic oversold	RSI below 50
S2	14,920	R2	15,214/22			
S3	14,785	R3	15,345			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (46)
- Stochastic is oversold
- Price is above the daily pivot point USD 15,082
- We were bearish with a neutral bias yesterday due to the move back above the USD 15,215 level; however, price had once again rejected the intraday 200-period MA 15,234. For downside continuation we will need to see a close below the low of the last dominant bull candle (USD 15,085). Conversely, a close that held above the USD 15,234 level would leave resistance levels vulnerable. Technically, we were not expecting the USD 15,215 resistance to be tested, meaning our view was more neutral, as the market was not behaving as I had expected. I did however say I was cautious on upside moves whilst below the average, as it was being respected as a resistance line.
- The futures sold and closed below the USD 15,085 level resulting in price selling to a low of USD 14,960, the technical is back in bearish territory; however, we have seen light bid support in the Asian day session. We are below the EMA resistance band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 15,082 with the RSI at or below 43.5 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 below USD 15,214 will leave the futures vulnerable ot further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the MA on the RSI implies we have light momentum weakness, but the average is starting to flatten. USD 15,214 is the key resistance on the technical; however, it is has been broken more than once, whereas upside moves have failed to hold above the 200-period MA (USD 15,222), meaning focus should be on the average and not the Fibonacci level. Whilst below the average, we remain cautious on upside moves; if we do close and hold above the USD 15,222 level, than resistance levels will become vulnerable.

Lead Morning Technical (4-hour)

Support		Resistance		Current Price	Bull	Bear
S1	1,969	R1	1,985	1,978.5	Stochastic oversold	RSI below 50
S2	1,951	R2	2,005			
S3	1,942	R3	2,009			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (33)
- Stochastic is oversold
- Price is below the daily point USD 1,985
- Technically bullish but with a neutral bias yesterday, the probability of price trading to a new high within this phase of the cycle had started to decrease, meaning we are cautious on upside moves at that point. However, there was a minor divergence in play with the RSI, warning we were vulnerable to an intraday tests to the upside in the near-term. If we did close and hold above the 200-period MA (USD 2,004) it would warn that Fibonacci resistance could come under pressure.
- The futures continue to sell lower but remain in divergence with the RSI. 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 1,985 with the RSI at or above 36.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,037 will leave the futures vulnerable to further moves to the downside, above this level the technical will be back in bullish territory.
- Bullish with a neutral bias, the MA on the RSI does imply that we have light momentum weakness; however, the average is starting to flatten, warning sell side momentum is starting to slow. We also remain in divergence with the RSI; not a buy signal, it is a warning that we could see a momentum slowdown. The depth of the pullback is warning the probability of the futures trading to a new high has decreased, suggesting upside moves could struggle to hold. However, the slowing momentum and divergence continue to warn we are vulnerable to an intraday test to the upside.