



Base Morning Technical Report

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(Bloomberg) -- Copper traded just below its highest close since May 2024 as traders prepared for the US Federal Reserve to cut interest rates for the first time since Donald Trump returned to the White House.

Base metals opened the week in bullish form, with copper rising more than 1% on Monday to take its gains for this year to more than 15%. Investors expect a quarter-point rate cut from the Fed this week, and there will be scrutiny on what the central bank says on its approach to further easing.

Lower interest rates tend to support commodities by boosting demand and weakening the dollar, making them more affordable for buyers using other currencies. The Bloomberg Dollar Spot Index fell on Monday to its lowest in more than a month, and was steady on Tuesday.

Copper fell 0.4% on the London Metal Exchange to \$10,150 a ton by 9:54 a.m. Shanghai time. Aluminum fell slightly from its highest close in six months, while zinc edged lower from its highest close this year.

Copper Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	10,096.5	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (57)
- Stochastic is overbought
- Price is below the daily pivot point USD 10,143
- Technically bullish yesterday, the MA on the RSI implied that momentum is supported; however, we continued to have RSI resistance at 67.25, meaning there remained a minor divergence in play. If we traded above the USD 10,126 fractal high with the divergence failing, the futures would look to test the long-term high at USD 10,164.5. Conversely, downside moves that held at or above USD 9,825 would support a bull argument, warning there could be further upside within the cycle, below this level the probability of the futures trading to a new high would start to decrease. Elliott wave analysis continued to suggest that downside moves should be considered as countertrend. A cautious bull at these levels whilst the divergence was in play.
- The futures traded above the USD 10,126 level to a high of USD 10,192.5. The divergence has failed; however, it only failed above USD 10,164.5, not USD 10,126. We have sold lower in the Asian day session but remain 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 10,143 with the RSI at or above 65 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 9,847 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the futures are in the process of reverting back to the EMA support band with the MA on the RSI flattening, implying buy side pressure is slowing. A close below the low of the last dominant bull candle (USD 10,061) will indicate sell side pressure is increasing, warning the Fibonacci support zone could come under pressure. Elliott wave analysis continues to suggest that downside moves look like they should be countertrend, making USD 9,847 the key support to follow. Below this level the probability of price trading to a new high will start to decrease.

Aluminium Morning Technical (4-hour)



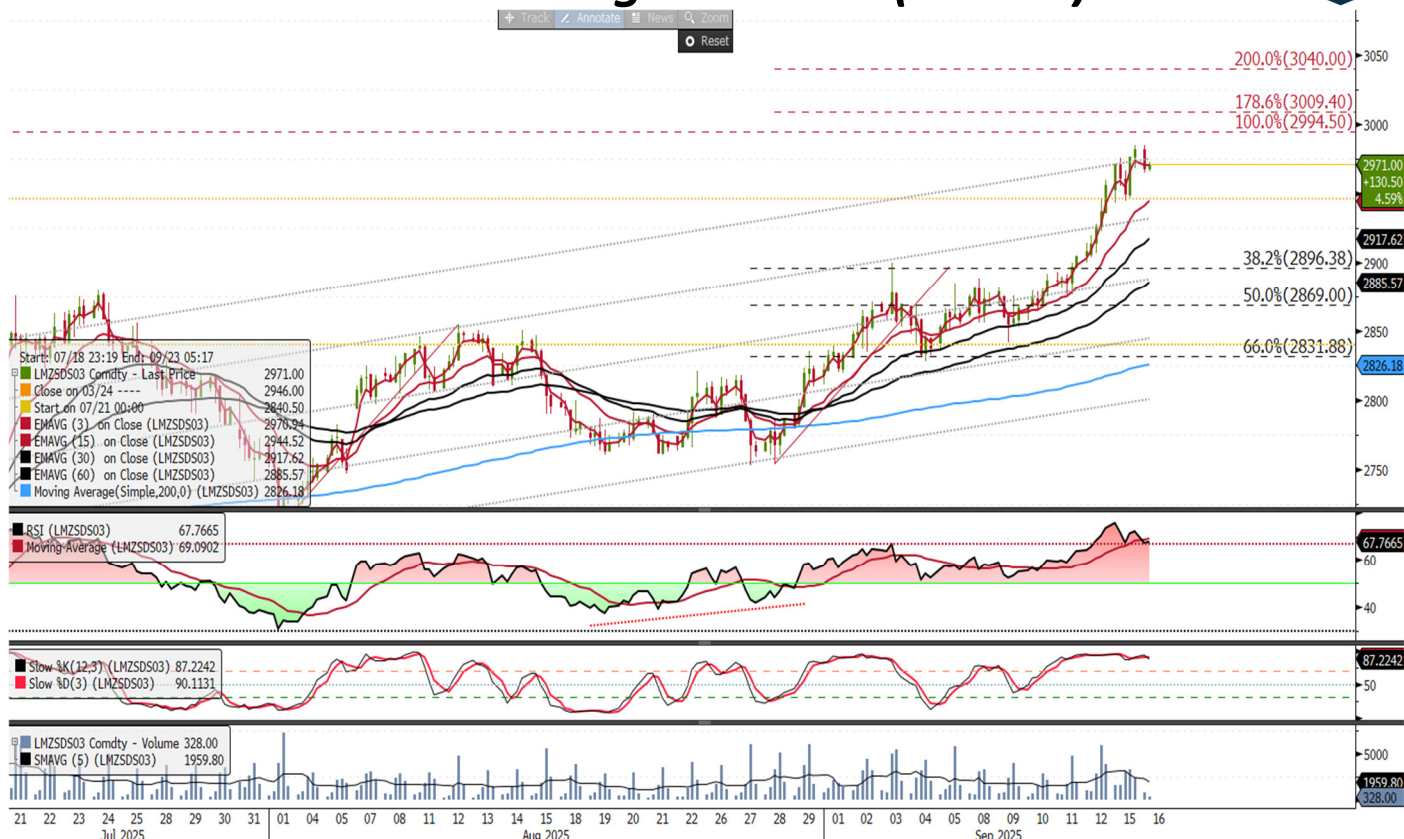
Support		Resistance		Current Price	Bull	Bear
S1	2,660	R1	2,695	2,693.5	RSI above 50	Stochastic overbought
S2	2,646	R2	2,699			
S3	2,628	R3	2,720			

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (65)
- Stochastic is overbought
- Price is below the daily pivot point USD 2,695
- Technically bullish yesterday, the MA on the RSI implied that momentum was supported. The futures were finding resistance one standard deviation above the linear regression line (USD 2,705), resulting in a small intraday pullback. Elliott wave analysis continued to suggest that downside moves should be considered as countertrend, whilst a move above USD 2,705 would be considered as a continuation within the current bull wave, as the pullback was considered as two shallow to qualify as the countertrend move that we are looking for. We were cautious on upside moves at those levels as price had moved lower on a 1-hour divergence.
- Having seen a small pullback during the day the futures tested the USD 2,705 level into the close. We have sold a little lower in the Asian day session but remain 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 2,695 with the RSI at or above 73.5 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 2,628 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the upside test to USD 2,705 on the close has created a minor divergence with the RSI, resulting in bids fading in the Asian day session. Due to the divergence we are now cautious on upside moves above USD 2,705 whilst it is in play, as it warns that buy side momentum could slow down. However, as noted previously, our Elliott wave analysis does suggest that downside moved look to be countertrend, making USD 2,628 the key support to follow. Below this level, the probability of the futures trading to a new high will start to decrease.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,969	R1	2,975	RSI above 50	Stochastic overbought
S2	2,896	R2	2,994		
S3	2,869	R3	3,040		

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (67)
- Stochastic is overbought
- Price is above/on the daily pivot point USD 2,969
- Technically bullish yesterday, the MA on the RSI implied that momentum was supported. However, we were finding resistance two standard deviations above the linear regression line (USD 2,965), suggesting we are starting to look overextended to the upside at this point. Elliott wave analysis implied that downside moves should be considered as countertrend, making USD 2,828 the key support to follow. A cautious bull due to the linear resistance.
- The futures remained supported yesterday with price trading to a high of USD 2,985 into the close. We have seen a small intraday pullback in the Asina day session, price is above the EMA support band with the RSI above 50, intraday price and momentum are now conflicting.
- A close on the 4-hour candle below USD 2,969 with the RSI at or below 67 will mean price and momentum are aligned to the sell side; likewise, a close above this level with the RSI at or above 71.5 will mean it is aligned to the buy side. Downside moves that hold at or above USD 2,831 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the futures continues to find resistance two standard deviations above the linear regression line (USD 2,975), whilst the RSI is now in divergence with price. Technically we continue to look overextended to the upside, warning we could enter a corrective phase; however, our Elliott wave analysis does imply downside moves should be countertrend, making USD 2,831 the key support to follow. If broken, then the probability of price trading to a new high will start to decrease.

Nickel Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	15,351	R1	15,430	15,400	RSI above 50	Stochastic overbought
S2	15,295	R2	15,546			
S3	15,218	R3	15,680			

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 pivot point USD 15,430
- Technically bullish yesterday, the MA on the RSI implied that momentum was supported, whilst the move above USD 15,430 warned that the USD 15,520 fractal high was vulnerable. As noted last week, a 3-wave corrective pattern had been followed by a break in key resistance, suggesting the move looks to be bullish impulse, implying downside moves should be considered as countertrend.
- The futures traded to a high of USD 15,535 before selling lower into the close. 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 15,430 with the RSI at or above 60 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 15,218 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the futures have entered a corrective phase having traded to a new high. When we look at the lower timeframe cycle that started on the 10/09, the move lower on the open yesterday (USD 15,320) did create a lower timeframe Elliott wave pullback (highlighted—red circle). If we trade above USD 15,535 from here, then we are looking at a lower timeframe Elliott wave extension (the oscillator cross is marginal). However, at this point, we now have a note of caution on moves higher.

Lead Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	1,988	R1	2,006	1,995		RSI below 50
S2	1,982	R2	2,010			
S3	1,972	R3	2,023			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is below 50 (49)
- Stochastic is below 50
- Price is above the daily point USD 2,006
- The move above the USD 2,019 fractal resistance yesterday meant that the technical was bullish based on price, whilst the move above USD 2,012 meant that the probability of there being a larger, bearish Elliott wave cycle in play had started to decrease. The RSI was making new highs alongside price, implying downside moves should be countertrend, making USD 1,988 the key support to follow. If broken, then the probability of the futures trading to a new high would start to decrease. The breakout above USD 2,019 did indicate that buy-side pressure is increasing, as we had broken the previous months high. The breakout at USD 1.00 is not definitive, but suggested market sellers should be cautious.
- The futures have entered a corrective phase with price between the EMA support band whilst the RSI is near-neutral at 49, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,006 with the RSI at or above 56.5 will mean price and momentum are aligned to the buy-side. Downside moves that hold at or above USD 1,988 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the futures are now testing the intraday 200-period MA (USD 1,994), meaning we are at an inflection point. A close that holds below the average, which breaches the USD 1,988 support will mean that the pullback is considered as deep, at this point the probability of the futures trading to a new high will start to decrease. Our analysis yesterday suggested that downside moves should be considered as countertrend; however, the futures must hold above the USD 1,988 level.