



Base Morning Technical Report

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(Bloomberg) -- Copper fell as US Federal Reserve officials cautioned against rapid loosening of monetary policy, undermining the case for a demand boost to metals.

Minneapolis Fed President Neel Kashkari was the latest official to warn against drastic cuts to US interest rates while inflation remains persistent. Lower rates typically encourage investors to buy non-yielding assets like metals.

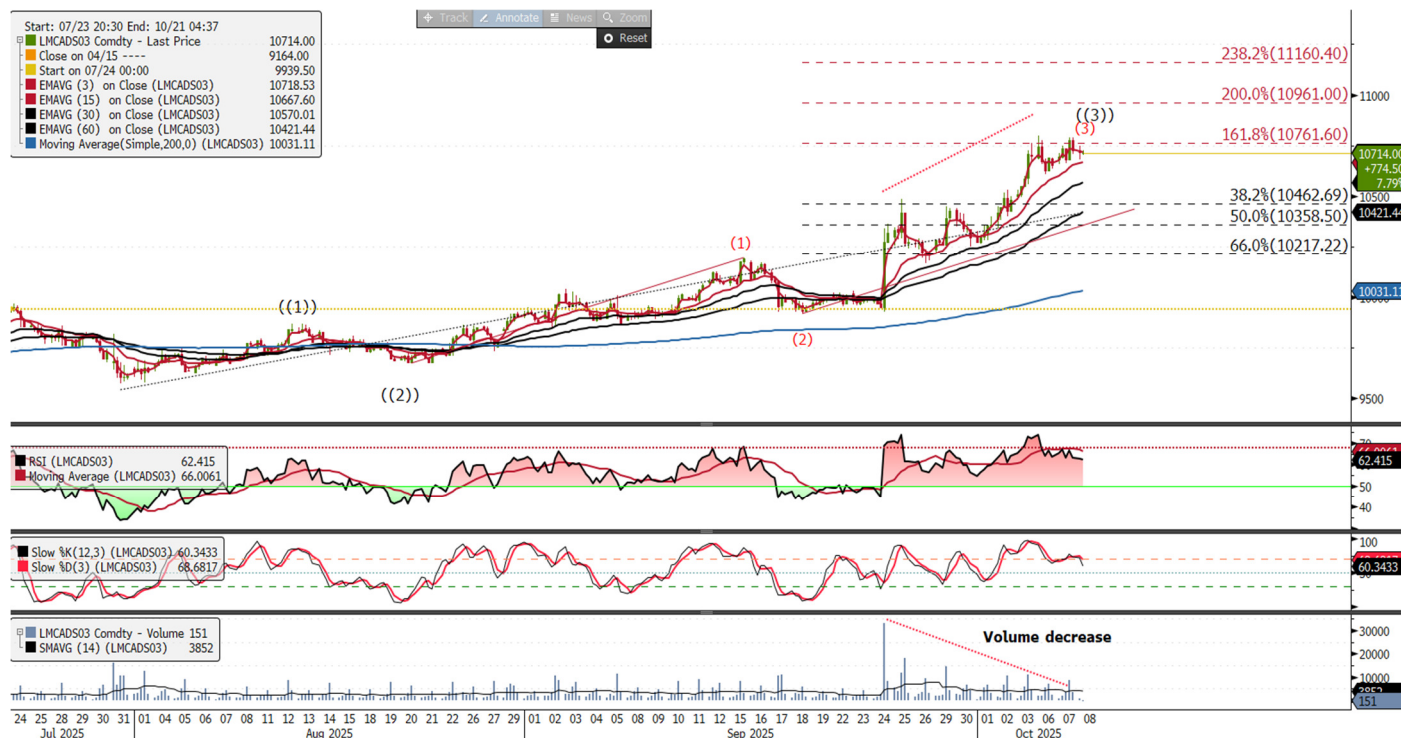
Copper has surged on the London Metal Exchange in recent weeks as traders hone in on the potential for Fed loosening at a time when supply is constrained by major mine outages. Futures are now close to record levels seen in 2024.

Analysts at Citigroup Inc. see copper rising to \$12,000 a ton in the first half of next year, driven by cuts to supply and supportive macro trends, including a weaker dollar. Still, prices should ease through 2026 as disrupted mines resume production, they said.

Copper fell 0.3% to \$10,724 a ton by 10:16 am Singapore time. Most other metals were lower.

Iron ore futures in Singapore rose 0.1% to \$104.10 a ton. Chinese markets will open again tomorrow after the week-long national holiday.

Copper Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	10,714	RSI above 50	
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (62)
- Stochastic is above 50
- Price is below the daily pivot point USD 10,737
- Technically bullish yesterday, the upside move on previously had created a lower timeframe Elliott wave extension, meaning downside moves were considered as countertrend. Above USD 10,800 the futures would be in divergence with the RSI, meaning we had a note of caution on upside breakouts above this level; we also highlighted that the futures were moving higher on decreasing volume, warning intraday buyside momentum was showing signs of weakness. The technical was showing signs of intraday exhaustion, meaning we were cautious on upside moves at that point. However, as highlighted in the copper technical on Monday afternoon, there were larger bull wave cycles in play on higher timeframes.
- The futures traded to a high of USD 10,792 before seeing a small pullback into the close. We 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 10,737 with the RSI at or above 68.5 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 10,217 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI is now acting as a resistance, whilst price remains in divergence, meaning we continue to be cautious on upside moves above USD 10,800. A close below the low of the last dominant 4-hour bull candle (USD 10,678.5) will imply that buyside pressure is easing, warning the Fibonacci support zone could come under pressure. We maintain our view based on Elliott wave analysis that downside moves should be considered as countertrend, making USD 10,217 the key support to follow. If broken, then the probability of the futures trading to a new high will start to decrease.

Aluminium Morning Technical (4-hour)



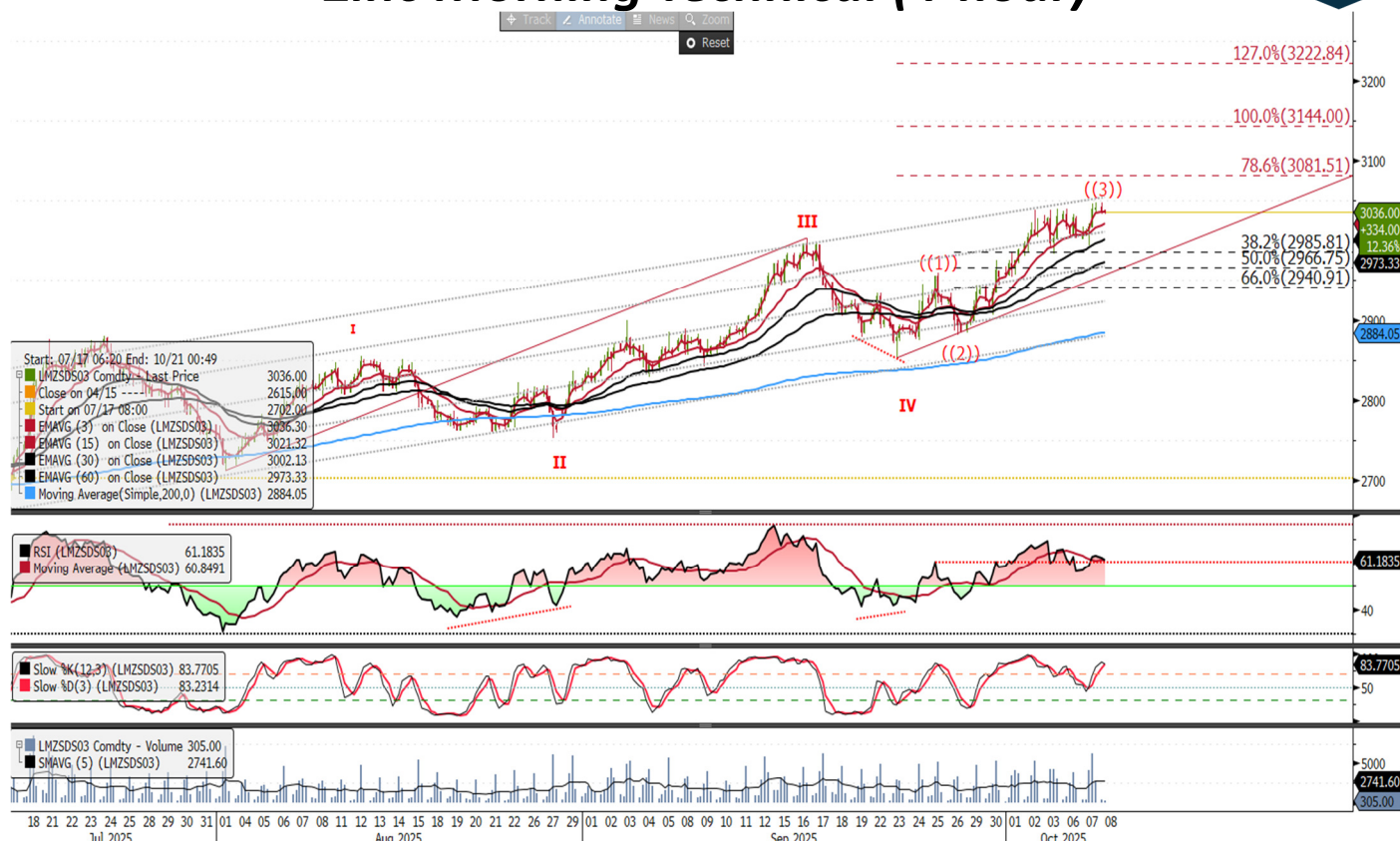
Support		Resistance		Current Price	Bull	Bear
S1	2,733	R1	2,757	2,741.5	RSI above 50	Stochastic overbought
S2	2,702	R2	2,793			
S3	2,688	R3	2,823			

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 the daily pivot point USD 2,733
- Technically bullish yesterday, the MA on the RSI implied that we had light momentum support; however, the new high meant that price was in divergence with the RSI, warning we could see a momentum slowdown. We noted that a close below the low of the last dominant bull candle (USD 2,707.5) would imply sell side pressure was increasing, warning the Fibonacci support zone could come under pressure, making USD 2,662 the key support to follow. Corrective moves that held at or above this level would leave the futures vulnerable to one more upside wave within this phase of the cycle; if broken, then the probability of the futures trading to a new high would start to decrease.
- The futures failed to close below the low of the last dominant bull candle, resulting in price trading to new highs. 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 2,733 with the RSI at or below 60.5 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, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI implies that momentum is supported; however, the RSI remains in divergence with price, warning we could see a momentum slowdown. If price and momentum become aligned to the sell side, or we close below the low of the last dominant bull candle (now USD 2,717.5), it will imply sell side pressure is increasing, warning the Fibonacci support zone could be tested. Elliott wave analysis suggests that downside moves should in theory be countertrend, making USD 2,669 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)



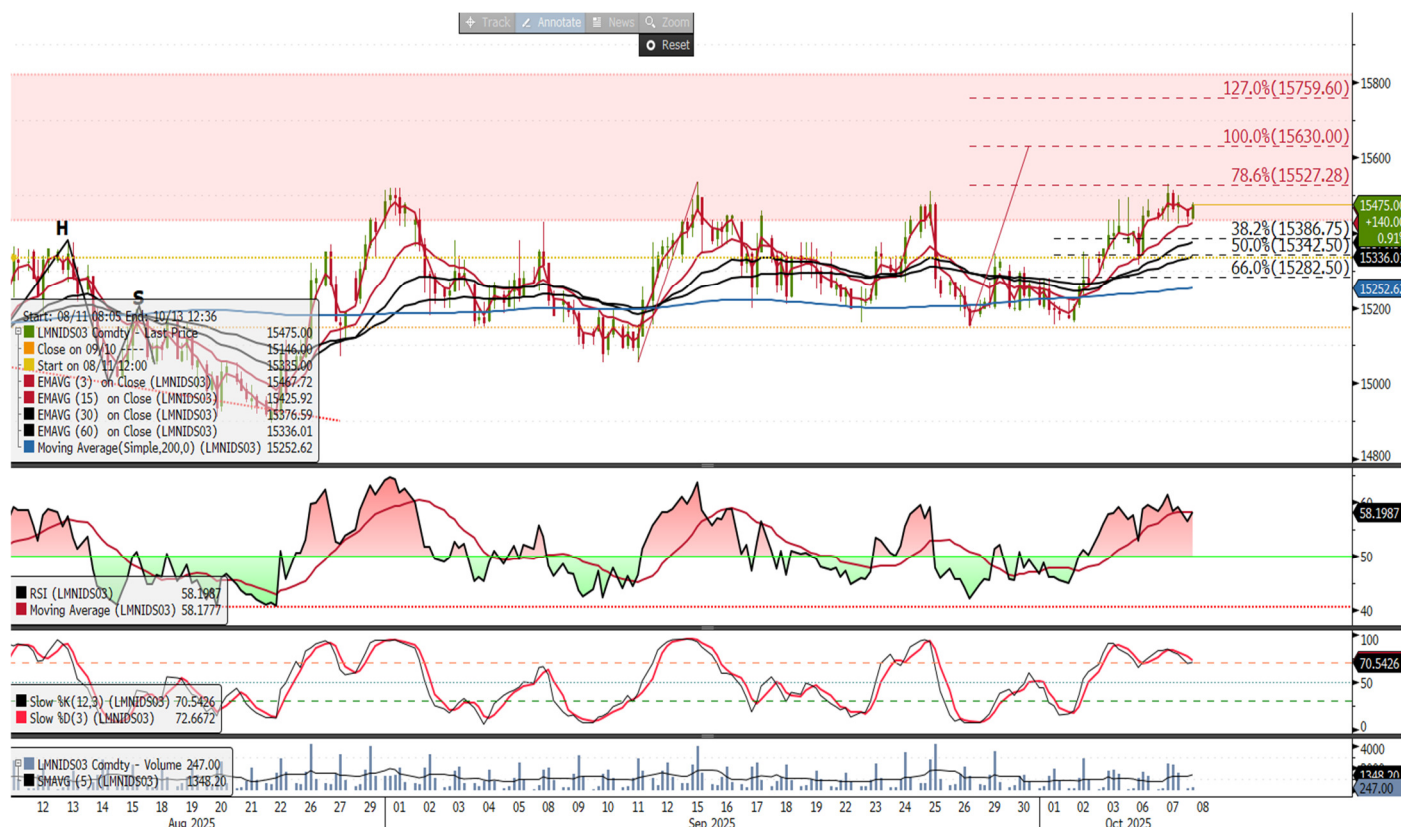
Support	Resistance	Current Price	Bull	Bear
S1	R1	3,036	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (61)
- Stochastic is overbought
- Price is above the daily pivot point USD 3,029
- Technically bullish yesterday, the MA on the RSI implied that momentum was weak whilst we had a minor divergence in play. Elliott wave analysis continued to suggest that downside moves should be considered as countertrend, making USD 2,937 the key support to follow, below this level the probability of price trading to a new high will start to decrease. We have a note of caution on intraday upside moves in the near-term.
- The futures have traded above the USD 3,040.5 high with price consolidating around this level on the open. We are above the EMA support band with the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 3,029 with the RSI at or below 58.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,940 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the new high yesterday means that the divergence is becoming more prominent, warning we could see a momentum slowdown. The futures are consolidating near their highs; however, USD 3,054 is two standard deviations above the linear regression line, suggesting the futures will potentially be overextended if we approach this level. A close below the low of the last dominant bull candle (USD 3,016) will indicate that sell side pressure is decreasing, warning that Fibonacci support zone could come under pressure. Elliott wave analysis continues to suggest that downside moves should be considered as countertrend, making USD 2,940 the key support to follow. Below this level, the probability of price trading to a new high will start to decrease. We remain cautious on upside moves in the near-term.

Nickel Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	15,386	R1	15,481	15,475	RSI above 50	Stochastic overbought
S2	15,342	R2	15,527			
S3	15,282	R3	15,630			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (58)
- Stochastic is overbought
- Price is below the daily pivot point USD 15,481
- Unchanged on the technical today yesterday, we remained bullish but price was trading on the daily 200-period MA, meaning we remained at an inflection point. As noted previously, the average had held 3 times when tested in recent weeks; We noted that if rejected, support level would come under pressure. Conversely, a close that held above it would support a longer-term bull argument. We maintain a neutral view on the technical.
- The futures traded to a high of USD 15,530 before seeing an intraday pullback into the close, the new high means the technical is now bullish. 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 15,481 with the RSI at or above 60.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 15,282 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the futures are now in divergence on the 1-hour timeframe, meaning we have a note of cautious on upside moves in the near-term. However, downside moves that hold above the USD 15,282 level will warn that there could be a larger bull cycle coming into play, below this level the probability of the futures trading to a new high will start to decrease. The futures continue to trade on the daily 200-period MA (USD 15,468), meaning price remains at an inflection point.

Lead Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	2,000	R1	2,008			
S2	1,989	R2	2,012			
S3	1,983	R3	2,021			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA support band (Black EMA's)
- RSI is at 50 (50)
- Stochastic is oversold
- Price is on/below the daily point USD 2,008
- Bullish with a neutral bias yesterday, the probability of price trading to a new high had started to decrease. We noted that the futures have mean reverted back to the intraday and daily 200 period MA's (USD 1,995—USD 1,989). Technically, price action was neutral; however, whilst we are above the daily 200 MA, resistance levels were still considered as vulnerable.
- The futures traded to a high of USD 2,016.5 before seeing bids ease into the close. We are between the EMA support band, the RSI is neutral at 50, intraday price and momentum are conflicting, as the previous candle closed above the daily pivot level.
- A close on the 4-hour candle above USD 2,008 with the RSI at or above 53 will mean price and momentum are aligned to the buy side; likewise, a close below this level will mean it is aligned to the sell side. Upside moves that fail at or below USD 2,021 will leave the futures vulnerable to further tests to the downside, above this level the technical will be back in bullish territory.
- Bullish with a neutral bias, the MA on the RSI implies that momentum remains weak. However, price is between the EMA support band but the band is flat, indicating we lack direction bias; this is supported by the RSI being neutral at 50, whilst intraday price and momentum are conflicting, meaning near-term price action has a neutral bias. We are still above the daily 200-period MA (USD 1,989), meaning resistance levels are still considered as vulnerable; however, we closed below the weekly pivot level on Monday (USD 2,012) with price failing to hold above this level yesterday, warning we could be looking at a failed swing high, leaving support levels vulnerable.

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