



Base Morning Technical Report

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(Bloomberg) -- Copper and other industrial metals retreated on concerns about credit quality in the US and renewed tensions between Washington and Beijing.

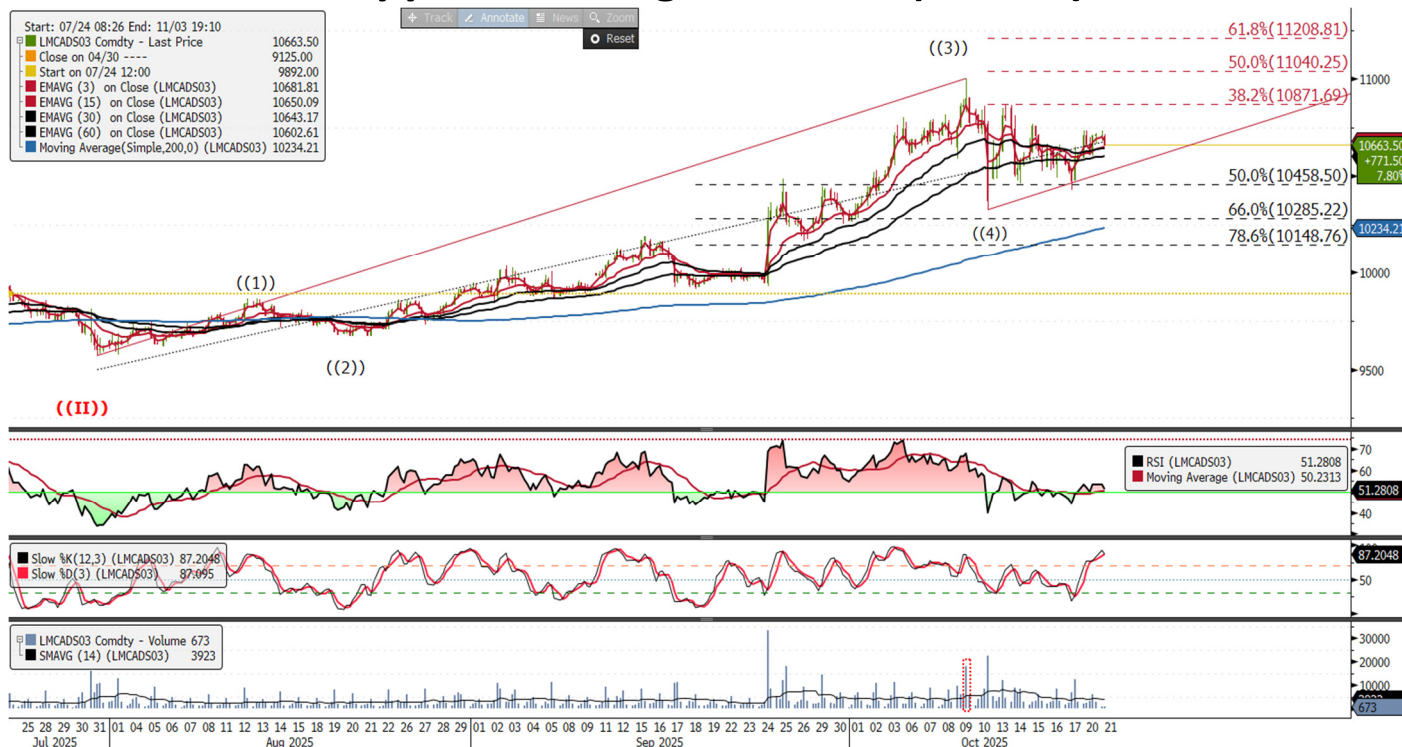
The metal, seen as a bellwether for the global economy given its widespread industrial use, fell 0.7% on the London Metal Exchange on Friday. That pared the week's gain to 0.4%, after it touched \$11,000 a ton the prior week — the highest intra-day level since May 2024 — on supply concerns.

Wider markets were jolted on Thursday when two US regional lenders said they were victims of fraud on loans linked to distressed commercial mortgages, fueling concerns over borrowers' creditworthiness. That added to fears around a reigniting trade war between the US and China, with China's Commerce Minister Wang Wentao blaming Washington for a recent escalation. A dearth of US economic data during the government shutdown is also adding to uncertainty.

Copper was down 0.8% to \$10,567 a ton as of 11:33 a.m. in Beijing. Zinc fell as much as 0.6% to \$2,951.50 a ton, while most other base metals on the exchange also declined.

Iron ore futures fell 0.7% to \$104.25 a ton in Singapore, as yuan-denominated futures on the Dalian exchange also dropped.

Copper Morning Technical (4-hour)



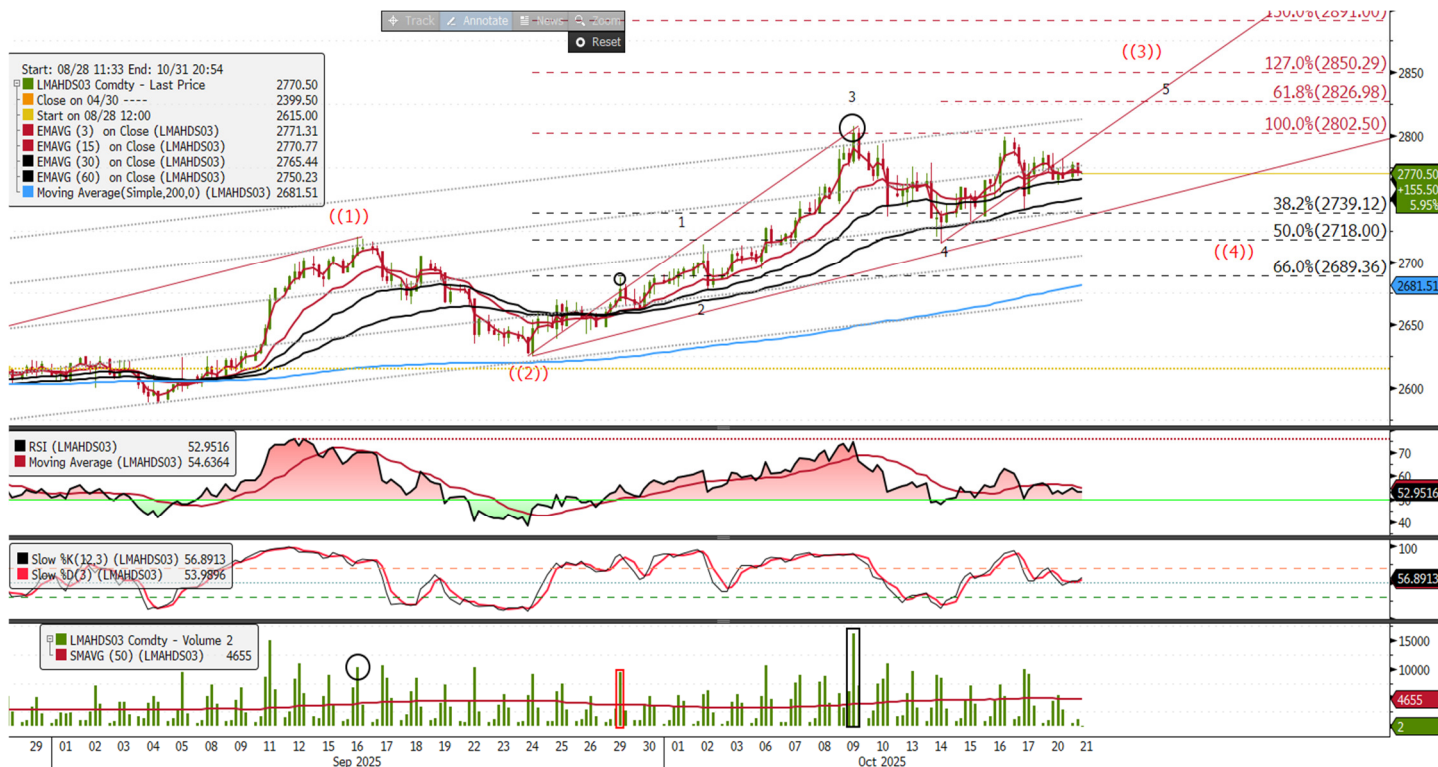
Support	Resistance	Current Price	Bull	Bear
S1	R1	10,663.5	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			
10,458	10,672			
10,285	10,676			
10,148	10,766			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (51)
- Stochastic is overbought
- Price is below the daily pivot point USD 10,672
- Technically bullish but in a corrective phase on Friday, the move below trend support (USD 10,614) warned that support levels could come under pressure in the near-term. Conversely, a close that held back above the upper trend resistance line (USD 10,669) would imply buyside support is entering the market. We noted that the futures were approaching the Apex of the triangle, making the pattern less reliable. As highlighted previously, our Elliott wave analysis continued to suggest that downside moves should be considered as countertrend, making USD 10,285 the key support to follow. Below this level the probability of the futures trading to a new high within this phase of the cycle would start to decrease. We were seeing early signs of technical weakness, but maintained a cautious view on downside moves.
- The futures sold to a low of USD 10,430 yesterday before finding light bid support on Monday. We are above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buyside, as the previous candle closed above the daily pivot level.
- A close on the 4-hour candle below USD 10,672 with the RSI at or below 48 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 10,285 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the futures remain in a corrective phase with the MA on the RSI implying we have light momentum support. Upside moves above the USD 10,762—USD 10,766 will indicate that buyside pressure is increasing, as this will put price above the linear regression line and fractal resistance. Whilst below this area, market bulls should have a note of caution. The Elliott wave cycle suggests downside moves should be considered as countertrend, whilst the symmetrical triangle pattern has failed; however, we would like to see some bullish follow through for confirmation that buyside pressure is increasing.

Aluminium Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	2,739	R1	2,775	2,770.5	RSI above 50	
S2	2,718	R2	2,802			
S3	2,689	R3	2,826			

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (53)
- Stochastic is above 50
- Price is below the daily pivot point USD 2,775
- Technically bullish on Friday, the MA on the RSI implied that momentum was supported. The upside move above USD 2,778.5 warned that the USD 2,807.5 fractal high could be tested and broken; if it was, then it would confirm that the futures were on a bullish impulse wave 5 for this phase of the cycle. Fibonacci projection levels suggested that we had the potential upside target at USD 2,877 (correction, USD 2,826); however, above USD 2,807.5 would create a negative divergence with the RSI, not a sell signal, it warned that we could see a momentum slowdown. We also noted that USD 2,806 was two standard deviations above the linear regression line, creating further resistance at the fractal high. We were bullish, but had a note of caution on upside breakouts.
- The futures sold to a low of USD 2,741.5 before finding light bid support, putting price back above the EMA support band. The RSI is above 50 but price and momentum aligned to the sell side.
- A close on the 4-hour candle above USD 2,775 with the RSI at or above 57 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 2,689 will support a bull argument, below this level the technical will have a neutral bias.
- The futures remain bullish but in corrective phase, the MA on the RSI implies that we have light momentum weakness. However, our Elliott wave analysis continues to suggest that downside moves should be considered as countertrend, making USD 2,689 the key support to follow. Below this level the probability of the futures trading to a new high will start to decrease. Upside moves above USD 2,787.5 will warn that the USD 2,799—USD 2,807.5 fractal resistance levels could be tested and broken. A new high will create a negative divergence with the RSI, whilst USD 2,812 is two standard deviations above the linear regression line, meaning we have a note of caution on upside breakouts.

Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,993	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 (54)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,965
- Unchanged on the technical last week, we remained bullish but in a corrective phase, the MA on the RSI implied that momentum was supported. However, we remained in the rising channel which looked like a bear flag, a close that held below trend support (USD 2,951) would warn that the fractal low could be tested and broken. However, as highlighted previously, our Elliott wave analysis suggested that downside moves should be considered as countertrend, whilst below USD 2,711.5 the futures would be divergence with the RSI, warning we could see a momentum slowdown. We also noted that we had the 200-period MA at USD 2,013, suggesting caution downside breakouts below USD 2,911.5, as the technical suggested that they could struggle to hold. The bear flag implies that support levels remain vulnerable at this point; however we are cautious on downside breakouts.
- The futures traded to a low of USD 2,914 before finding bid support. We are above the EMA resistance band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,965 with the RSI at or below 45 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,836 will support a bull argument, below this level the technical would have a neutral bias.
- The futures remain bullish but in a corrective phase with the MA on the RSI implying that we have light momentum support. A close that holds above the linear regression line (USD 2,998) will indicate that buyside pressure is increasing, warning the USD 3,022 resistance could come under pressure. This is a key level on the technical, if broken, then the probability of the futures trading to a new low will start to decrease; increasing the probability of the move being bullish impulse. Conversely, if rejected, it will warn that the corrective phase is becoming move complex, leaving support levels vulnerable.

Nickel Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	15,187	R1	15,286	15,230		Stochastic overbought
S2	15,076	R2	15,296			
S3	14,928	R3	15,350			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is at 50 (50)
- Stochastic is overbought
- Price is above the daily pivot point USD 15,187
- Technically bearish yesterday, the MA on the RSI implied that momentum was supported. The upside rejection of the resistance line/200-period MA warned that the USD 2,100 fractal low remains vulnerable; however, below this level the futures will be in divergence with the RSI. Not a buy signal, it warned that we could see a momentum slowdown, which needed to be monitored. Conversely, a close that held above the USD 15,273 level would warn that the USD 15,443 resistance could come under pressure. This remained a key resistance on the technical; if rejected, it will suggest that there could be a larger, bearish corrective phase in play. Likewise, above this level the probability of the futures trading to a new low would start to decrease. The rejection on the resistance line left support vulnerable; however, we continued to be cautious on downside breakouts.
- The futures sold to a low of USD 15,080; however, due to the divergence the move failed to hold. We are between the EMA resistance band with the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 15,187 with the RSI at or below 44 will mean price and momentum are aligned to the sell. Upside moves that fail at or below USD 15,436 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the futures are finding bid support on the positive divergence highlighted. A close that holds above the trend resistance line (USD 15,296) will imply that buy side pressure is increasing, warning the USD 15,436 resistance could be tested. This is the key level on the technical, if rejected it will imply that the corrective phase is becoming more complex, leaving support levels vulnerable. If broken, then the probability of the futures trading to a new low will start to decrease. If the trend resistance is rejected, then the USD 15,080 support should come back under pressure; however, we remain cautious on downside breakouts below this level, as price will once again be in divergence with the RSI.

Lead Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	1,984	R1	1,997	1,995.5	RSI above 50	Stochastic overbought
S2	1,974	R2	2,004			
S3	1,962	R3	2,017			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is above 50 (53)
- Stochastic is overbought
- Price is above the daily point USD 1,984
- Technically bearish on Friday, the new low meant that futures were in divergence with the RSI; not a buy signal it warned that we could see a momentum slowdown, meaning we were cautious on downside moves at those levels. Upside moves above USD 1,985 would warn that the probability of the futures trading to a new low has started to decrease. A cautious bear, the divergence implied that resistance levels were starting to look vulnerable.
- The futures have moved above the USD 1,985 level on the back of the positive divergence with the RSI. We are between the EMA resistance band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 1,984 with the RSI at or below 41 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 1,985 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Key longer term resistance is at USD 2,017, upside moves that fail at or below this level will warn that they could be a larger bearish Elliott wave cycle in play.
- Bearish with a neutral bias, the probability of the futures trading to a new low within this phase of the cycle has started to decrease. The MA on the RSI implies that momentum is supported, a close that holds above the 200-period MA (USD 1,998) will imply buyside pressure is increasing, leaving the USD 2,017 resistance vulnerable. Above this level the probability of the futures trading to a new low will start to decrease; if rejected, it will imply that there is a larger bearish cycle coming into play. A 5 wave pattern lower suggests that this upside move could be a countertrend Elliott wave B.