



Base Morning Technical Report

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(Bloomberg) -- Copper edged higher after Goldman Sachs Group Inc. pointed to a near-term bullish view among traders, as prices remain close to a record.

The metal, used in wiring for renewable energy, electronics and construction, has been supported in recent months by a series of global mine disruptions. According to Goldman analysts, most industry players they spoke with during the recent annual LME week conference in London expect prices to continue to test its all-time high over the coming months.

US President Donald Trump has created a huge arbitrage opportunity by threatening, but not imposing, import tariffs on refined copper. US futures are still trading at a premium over London prices that are the global benchmark, and the metal is still flowing to America.

“In the near-term, we see the positive COMEX-LME arbitrage as having a material tightening impact on the physical ex-US market and posing temporary upside risk to our LME copper price forecast range of \$10,000-\$11,000,” analysts including Eoin Dinsmore wrote in a note.

Copper gained 0.2% to \$10,684 a ton on the London Metal Exchange as of 11:34 a.m. in Singapore. Aluminum and lead rose, while zinc slipped 0.4%.

Copper Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	10,688.5	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 (52)
- Stochastic is above 50
- Price is above the daily pivot point USD 10,635
- Technically bullish yesterday with Elliott wave analysis suggesting downside moves should be considered as counter-trend, making USD 10,285 the key support to follow. Below this level the probability of the futures trading to a new high would start to decrease. The RSI was below its MA; however, the MA on the RSI implied that momentum remained supported. If price and momentum became aligned to the buyside, then market buyers would look to test the USD 10,766 fractal resistance. Upside moves above this level would imply that buyside pressure was increasing, warning the USD 10,864.5 and USD 11,000 fractal resistance levels could come under pressure.
- The futures have seen a small move higher with price and momentum aligned to the buyside. Price is above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 10,635 with the RSI at or below 49 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 with price and momentum now aligned to the buyside, the futures are testing the linear regression line at USD 10,709, a close that holds above this level will further support a buyers argument. USD 10,766 is the fractal resistance, and now vulnerable, for upside continuation the futures will need to trade above this level. Failure to hold above the linear regression line, or a rejection of the USD 10,766 resistance will suggest caution to market bulls. Elliott wave analysis continues to suggest that downside moves should be considered as countertrend.

Aluminium Morning Technical (4-hour)



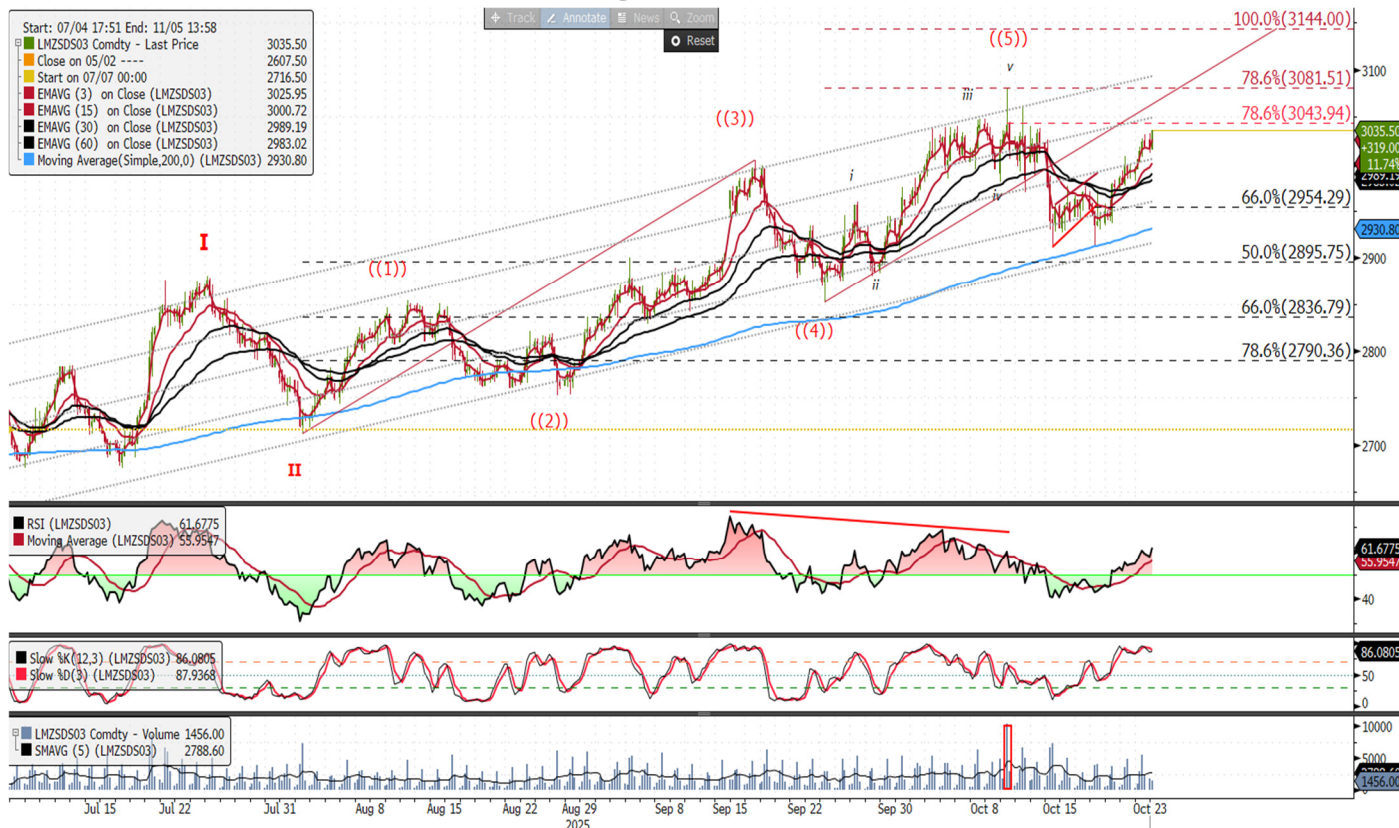
Support		Resistance		Current Price	Bull	Bear
S1	2,801	R1	2,820	2,811.5	RSI above 50	Stochastic overbought
S2	2,780	R2	2,826			
S3	2,768	R3	2,850			

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 2,801
- Technically bullish yesterday with our Elliott wave analysis suggesting downside moves should be considered as countertrend, the MA on the RSI implied that we had light momentum support. The upside moves above USD 2,787.5 meant that the USD 2,807.5 fractal high was vulnerable; if broken, we had a potential upside target at USD 2,826 for this phase of the cycle. However, above USD 2,807.5 the futures would be in divergence with the RSI, warning we could see a momentum slowdown; whilst USD 2,816 was two standard deviations above the linear regression line. If tested, it would suggest that price was starting to look overextended to the upside, meaning we have a note of caution on upside breakouts.
- The futures traded to a high of USD 2,822 with price remaining supported this morning. 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 2,801 with the RSI at or below 55 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,751 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish with price in divergence, USD 2,620 is two standard deviations above the linear regression line. The futures are in divergence with price starting to look overextended to the upside; however, if we look at the intraday move that started on the 14/10, we can see a lower timeframe wave cycle is forming (1-hour timeframe, marked on the chart). This small wave cycle does suggest that intraday downside moves have the potential to be countertrend in the near-term. Technically, we are cautious on moves higher here, as this phase of the cycle is nearing completion, but reiterate there is still the potential for on more small bull wave within the lower timeframe cycle.

Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	3,014	R1	3,043	Stochastic overbought
S2	3,004	R2	3,060	
S3	2,954	R3	3,081	
		3,035.5	RSI above 50	

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (61)
- Stochastic is overbought
- Price is above the daily pivot point USD 3,014
- Unchanged on the technical yesterday, we remained bullish but in a corrective phase with price testing the linear regression line (USD 3,000). A close that held above this level would imply buy-side pressure was increasing, warning that the USD 3,022 resistance could come under pressure. This remains the key level on the technical, if broken, then the probability of the futures trading to a new low would start to decrease; increasing the probability of the move being bullish impulse. Conversely, if rejected, it would warn that the corrective phase is becoming more complex, leaving support levels vulnerable.
- The futures continue to move higher with price above the linear regression line (USD 3,004) and the USD 3,022 resistance. 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 3,014 with the RSI at or below 53.5 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.
- Technically bullish, the move above the USD 3,022 level is warning that we could be in a higher timeframe Elliott wave 5, meaning the USD 3,080 fractal high is now vulnerable. Key near-term support is at USD 2,954, corrective moves below this level will be considered as deep into the current bull wave; this will neutralize the bull impetus, warning support levels could come back under pressure.

Nickel Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	15,076	R1	15,170	15,185		RSI below 50
S2	14,928	R2	15,277			
S3	14,740	R3	15,313			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (48)
- Stochastic is below 50
- Price is above the daily pivot point USD 15,170
- Technically bearish yesterday, the futures had seen a small pullback from below the 200-period MA (USD 15,285) and the trend resistance line (USD 15,303); Countering this, the MA on the RSI implied that we had light momentum support. If price and momentum became aligned to the sell side, then the USD 15,080 fractal low could come under pressure. However, we remained cautious on corrective moves lower due to price moving higher on the divergence. Upside move that closed and held above the trend resistance line (USD 15,303) would imply that buy-side pressure was increasing, warning the USD 15,436 resistance could come under pressure. This remained the key resistance, as above this level would mean that the probability of the futures trading to a new low would start to decrease, if rejected it would warn that the corrective phase could be becoming more complex. We were neutral on price action due to the price seeing a small rejection yesterday into the momentum support, but the caveat was that we were cautious on downside moves.
- The futures traded to a low of USD 15,105 before finding light bid support. We are below the EMA resistance and with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 15,170 with the RSI at or above 50.5 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 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, price and momentum are conflicting; however, the MA on the RSI continues to warn that momentum is supported. Below USD 15,080 the futures will be in divergence with the RSI, meaning we continue to be cautious on downside moves at this point. As highlighted previously, a close that holds above the trend resistance line (USD 15,313) will imply that buy-side pressure is increasing, warning the USD 15,436 level could come under pressure. A rejection here will indicate that the corrective cycle could be more complex; if broken, then the probability of price trading to a new low will start to decrease.

Lead Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	1,997	R1	2,017			
S2	1,992	R2	2,028			
S3	1,979	R3	2,046			
				2,008.5	RSI above 50	Stochastic overbought

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (59)
- Stochastic is overbought
- Price is above the daily point USD 1,992
- Technically bearish with a neutral bias yesterday, the MA on the RSI implies that momentum was supported, warning resistance levels remained vulnerable in the near-term. However, as highlighted previously, the initial move lower looked to be an Elliott wave A, suggesting upside moves had the potential to be countertrend (wave—B), making USD 2,017 the key resistance to follow. Above this level the probability of the futures trading to a new low would start to decrease.
- The futures have moved higher with price above the USD 1,997.5 fractal resistance, meaning the futures are bullish based on price. 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 1,992 with the RSI at or below 50 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 1,979 will support a bull argument, below this level the technical will have a neutral bias. Upside moves that fail at or below USD 2,017 will leave the futures vulnerable to further tests to the downside.
- Bullish based on price, the futures are above the intraday 200-period MA (USD 1,997), if we hold above it, then the USD 2,017 resistance could be tested and broken. This is the key level on the technical, although price is bullish, the Elliott wave cycle remains bearish below US\$ 2,017, and neutral above. If we trade above USD 2,017 it will bring into question the integrity of the larger wave cycle, as the probability of the futures trading to a new low will start to decrease. Whilst above the 200-period MA resistance is vulnerable; conversely, failure to hold above it will warn that support level could come back under pressure.

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