Base Morning Technical Report

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

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(Bloomberg) -- Copper extended a decline from a record as Codelco eased concerns about supplies, while traders eyed fresh uncertainty prospects for another US interest-rate cut next month.
All main base metals dropped, with copper losing as much as 1.8%. The Chilean mining giant said it expected output this year and next to be higher than in 2024, helping to ease tensions around global supply that helped push prices to an all-time high last week. A series of mine disruptions — including at a Codelco site — have crimped flows of copper.
Read More: Codelco Sticks to Recovery Story in Boost to Tight Copper Market
Across the wider metals complex, investor focus is returning to Fed policy and the outlook for China's wavering economy now that global trade tensions have cooled. Among other contracts, aluminum slid from its highest close in more than three years and zinc from its highest finish of 2025.
A series of remarks from Fed officials has offered contrasting views on what's next for US rates, after Chair Jerome Powell warned that a December cut wasn't a foregone conclusion. Among them, Chicago Fed President Austan Goolsbee said he's more concerned about inflation than the job market.
The shifting outlook for US monetary policy has pushed up the dollar, adding to pressure on metals that rallied last week in the run-up to Washington and Beijing's trade truce. The Bloomberg Dollar Spot Index held near the highest since May, making commodities priced in the greenback dearer for buyers in other currencies.
Supply issues have been a major factor in pushing up prices for metals this year, with copper mines from Indonesia to Democratic Republic of Congo and Chile suffering accidents. Constraints on Chinese capacity have helped aluminum, while several Western zinc smelters dialed back production.
Copper was down 1.6% at $10,681.50 a ton on the LME at 3:49 p.m. in Shanghai, while aluminum fell 1% and zinc dropped 0.7%. Iron ore sank 1.3% to $103.70 a ton in Singapore.

Copper Morning Technical (4-hour)

Support		Resistance		Current Price	Bull	Bear
S1	10,712	R1	10,815	10,798.5	RSI above 50	
S2	10,577	R2	10,888			
S3	10,555	R3	10,988			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI is above 50 (51)
- Stochastic is above 50
- Price is above the daily pivot point USD 10,712
- Technically bullish with a neutral bias on the last report, the MA on the RSI implied that momentum remained weak. The move below USD 10,620 warned that the probability of the futures trading to a new high within this phase of the cycle has started to decrease, making USD 10,988 the key resistance to follow; if rejected, it would imply that the corrective phase was more complex, leaving support levels vulnerable. The depth of the pullback warned that the futures had potentially entered the higher timeframe Elliott wave ((IV)), the corrective move lower on the **higher timeframe** was considered as countertrend. On the intraday price action, the RSI pullback and the breach in the USD 10,620 level warns that resistance levels should hold if tested in the near-term. We had seen sell side momentum slow, warning we could see an intraday move higher, which our analysis suggested will be part of the larger, correct wave ((IV)).
- The futures sold to a low of USD 10,577.5 before moving higher, 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 10,712 with the RSI at or below 45.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 10,988 will warn that there is further downside within this corrective phase, above this level the technical will have a neutral bias.
- Technically bearish, the MA on the RSI implies that momentum is supported, warning the Fibonacci resistance zone could come under pressure. However, we look to be in a higher timeframe corrective wave ((IV)) for this phase of the cycle, suggesting the 3-wave pattern higher is a countertrend wave B within the corrective phase, making USD 10,988 the key resistance to follow. Above this level the probability of the futures trading to a new low will start to decrease. We are cautious on upside moves in the near-term.

Aluminium Morning Technical (4-hour)

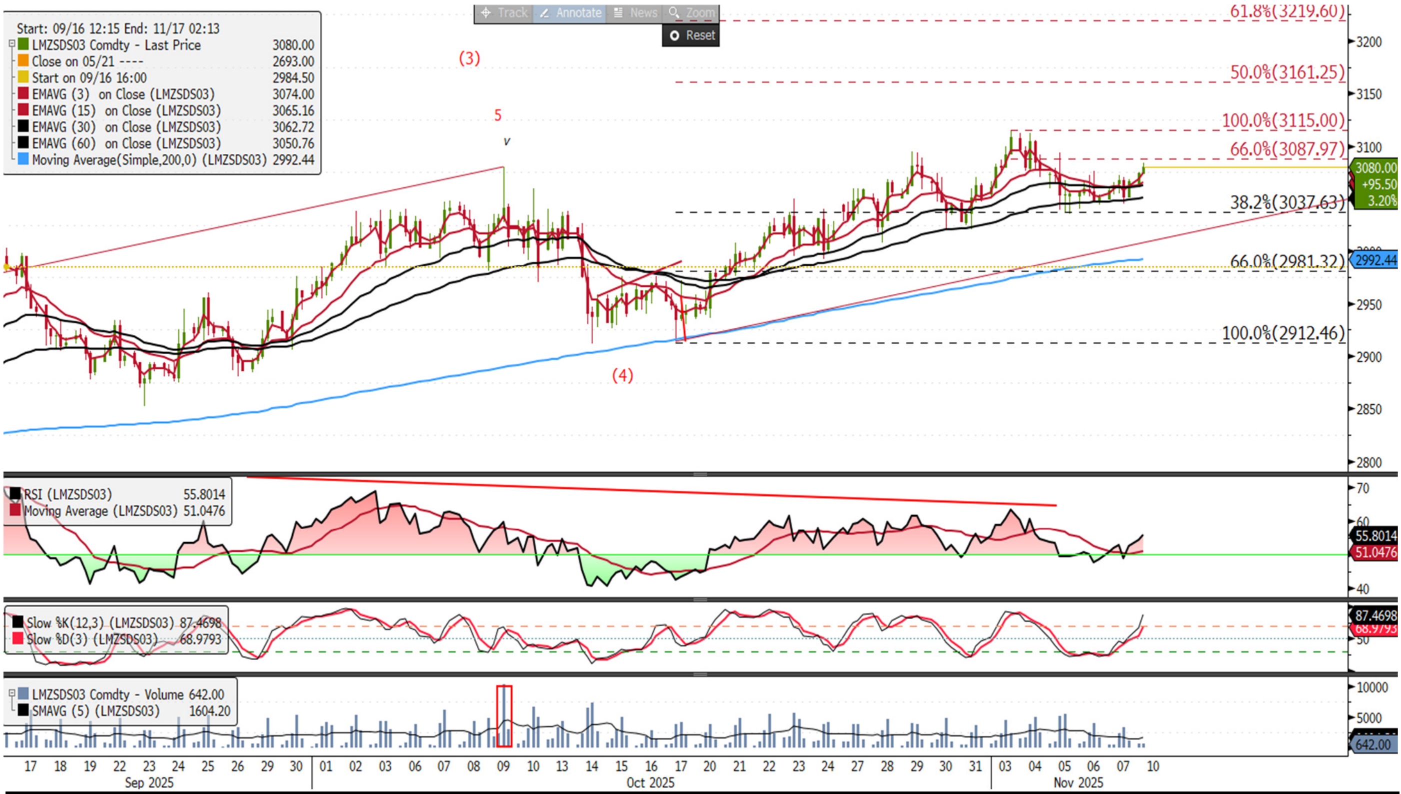
Support		Resistance		Current Price	Bull	Bear
S1	2,856	R1	2,889	2,880	RSI above 50	
S2	2,837	R2	2,898			
S3	2,785	R3	2,920			

Source Bloomberg

Synopsis - Intraday

- Price is between the EMA support band (Black EMA's)
- RSI is above 50 (54)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,856
- Technically bullish with a neutral bias on the last report, the probability of the futures trading to a new high within this phase of the cycle had started to decrease, making USD 2,892 the key resistance to follow. Below USD 2,837 would mean that intraday price was bearish due to the breach in the fractal support; however, higher timeframe Elliott wave analysis remained bullish above USD 2,785 and neutral below. The MA on the RSI implied that momentum was weak, whilst the depth of the pullback suggested that upside moves should be considered as countertrend in the near-term.
- The futures traded to a low of USD 2,831.5 before seeing bid support, 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 2,856 with the RSI at or below 47 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,889 will leave the futures vulnerbale to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the MA on the RSI implies that momentum is supported at this point. The futures are approaching the USD 2,889 resistance; if broken, then the probability of price trading to a new low will start to decrease, warning the USD 2,920 fractal high could be tested and broken. Conversely, if rejected, it will indicate that the corrective phase could become more complex. We have a 3-wave pattern lower with price testing key resistance, meaning the futures are now at an inflection point. If we trade above USD 2,889, then resistance becomes vulnerable; however USD 2,898 is two standard deviations above the linear regression line, warning upside moves above USD 2,920 could struggle to hold.

Zinc Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	3,061	R1	3,087	3,080	RSI above 50	
S2	3,037	R2	3,115			
S3	3,020.5	R3	3,161			

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (55)
- Stochastic is above 50
- Price is above the daily pivot point USD 3,061
- Unchanged on the technical on the last report. The futures were selling lower on the negative divergence with the RSI, warning support levels remained vulnerable. Below USD 3,020.5 the intraday technical would be bearish based on price; however, corrective moves lower that held at or above USD 2,981 would warn that there is could be further bullish cycles within the lower timeframe wave (5).
- The futures sold to a low of USD 3,035.5 before finding bid support. 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 3,061 with the RSI at or below 49.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,981 will support a bull argument, below this level the technical would have a neutral bias.
- Technically bullish, the MA on the RSI implies that momentum has light bid support, warning the USD 3,087 resistance could be tested and broken. If it is, then the probability of the futures trading to a new low will start to decrease, warning the that the USD 3,115 fractal high could come under pressure. Conversely, if rejected, it will imply that the corrective phase is becoming more complex suggesting there is further downside within the corrective phase.