



Base Morning Technical Report

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(Bloomberg) -- Copper steadied after a four-day gain as investors waited for clues on US monetary policy, after a six-week government shutdown deprived them of official data.

The US House passed a bill to end the shutdown, the longest ever, and attention is now turning to the Federal Reserve and the chance of more interest-rate cuts. However, the lack of recent economic statistics is making it harder than usual to anticipate the central bank's next move.

The industrial and wiring metal has rallied by around 25% this year and hit a record high late last month, buoyed by a series of disruptions at some of the world's top mines. President Donald Trump's aggressive trade policy has also led to extreme price distortions between the US and global benchmark prices.

Copper was little changed at \$10,941 a ton on the London Metal Exchange as of 12:09 p.m. in Shanghai, after being down as much as 0.7% earlier. Zinc rose 0.2%, while aluminum was down 0.1%. Iron ore futures dipped 0.1% to \$102.70 a ton in Singapore.

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	10,882	R1	10,988	RSI above 50	Stochastic overbought
S2	10,793	R2	11,066		
S3	10,577.5	R3	11,200		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- The RSI is above 50 (60)
- Stochastic is overbought
- Price is above the daily pivot point USD 10,882
- Unchanged on the technical yesterday, we remained bearish with the MA on the RSI implying that momentum was supported; however, price and momentum continued to conflict. The futures remained in a corrective phase within a longer-term bull trend, our Elliott wave analysis suggested that upside moves look like they could be countertrend in the near-term, making USD 10,988 the key resistance to follow. If broken, then the probability of the futures trading to a new low would start to decrease. A close that held below the trend support line (highlighted USD 10,760) would warn that the USD 10,577 fractal low could be tested and broken. We remained cautious on upside moves whilst below the USD 10,988 level.
- The futures continue to see bid support with price testing the upper channel resistance (USD 10,979). 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 10,882 with the RSI at or below 52.5 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. The futures continue to see bid support; however, our Elliott wave analysis suggests that upside moves should be considered as countertrend, making USD 10,988 the key resistance to follow. If broken, then the probability of the futures trading to a new low will start to decrease. The longer-term technical is bullish, but I have the current upside move as countertrend (within the corrective phase), above USD 10,988 my analysis becomes neutral, as a breach in my resistance will mean that this move is higher than I expected. If we close and hold above the linear regression line (USD 10,997), then it will indicate that buyside pressure is increasing, meaning the USD 11,200 fractal high will start to look vulnerable.

Aluminium Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	2,887	R1	2,913	2,903	RSI above 50	Stochastic overbought
S2	2,877	R2	2,920			
S3	2,856	R3	2,968			

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (57)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,887
- We remained bearish with a neutral bias yesterday, meaning the probability of the futures trading to a new low had started to decrease. The MA on the RSI continued to indicate that momentum was supported, warning resistance levels were vulnerable. As highlighted previously, USD 2,908 was two standard deviations above the linear regression line, whilst a move above USD 2,920 would mean that the futures would be in divergence with the RSI. The technical continued to suggest that resistance was vulnerable in the near-term; however, we remained cautious on upside moves, as the divergence and linear regression implied that upside moves could struggle to hold.
- The futures have seen another small move higher with price 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 2,887 with the RSI at or below 52 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,856 will support a bull argument, below this level the technical will be back in bearish territory.
- Bearish with a neutral bias, the MA on the RSI implies that momentum is supported. Above USD 2,920 the technical will be bullish, confirming we are on an Elliott wave 5. Based on Fibonacci projection levels, this would suggest that we have a potential upside target at USD 3,052. However, USD 2,913 is two standard deviations above the linear regression line, suggesting that if tested price will starting to look over extended in the near-term, whilst above USD 2,920 the futures will be in divergence with the RSI. Not a sell signal, the divergence warns that we could see a momentum slowdown, which will need to be monitored. The technical is warning based on the divergence and linear regression that upside breakouts could struggle to hold.

Zinc Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	3,064	R1	3,115	3,096	RSI above 50	Stochastic overbought
S2	3,0237	R2	3,161			
S3	3,020.5	R3	3,219			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (56)
- Stochastic is overbought
- Price is above the daily pivot point USD 3,064
- The corrective move previously had held above the EMA support band, having previously breached the USD 3,087 resistance, meaning resistance levels remained vulnerable. We continued to be cautious on upside breakouts above USD 3,115, as the futures would be in divergence with the RSI. Not a sell signal, it warned that we could see a momentum slowdown, which needed to be monitored. Technically, resistance levels remained vulnerable; however, the divergence above USD 3,115 meant that we were a cautious bull at those levels.
- The futures continue to see light bid support with price now approaching the USD 3,115 fractal high. 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 3,064 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.
- Unchanged on the technical this morning, we remain bullish with price moving higher having held the EMA support band, suggesting the USD 3,115 fractal high could be tested and broken. However, above this level the futures will be in divergence with the RSI; not a sell signal, it is a warning that we could see a momentum slowdown, which will need to be monitored. We continue to be cautious on upside breakouts due to the divergence coming into play.