FIS

Base Morning Technical Report

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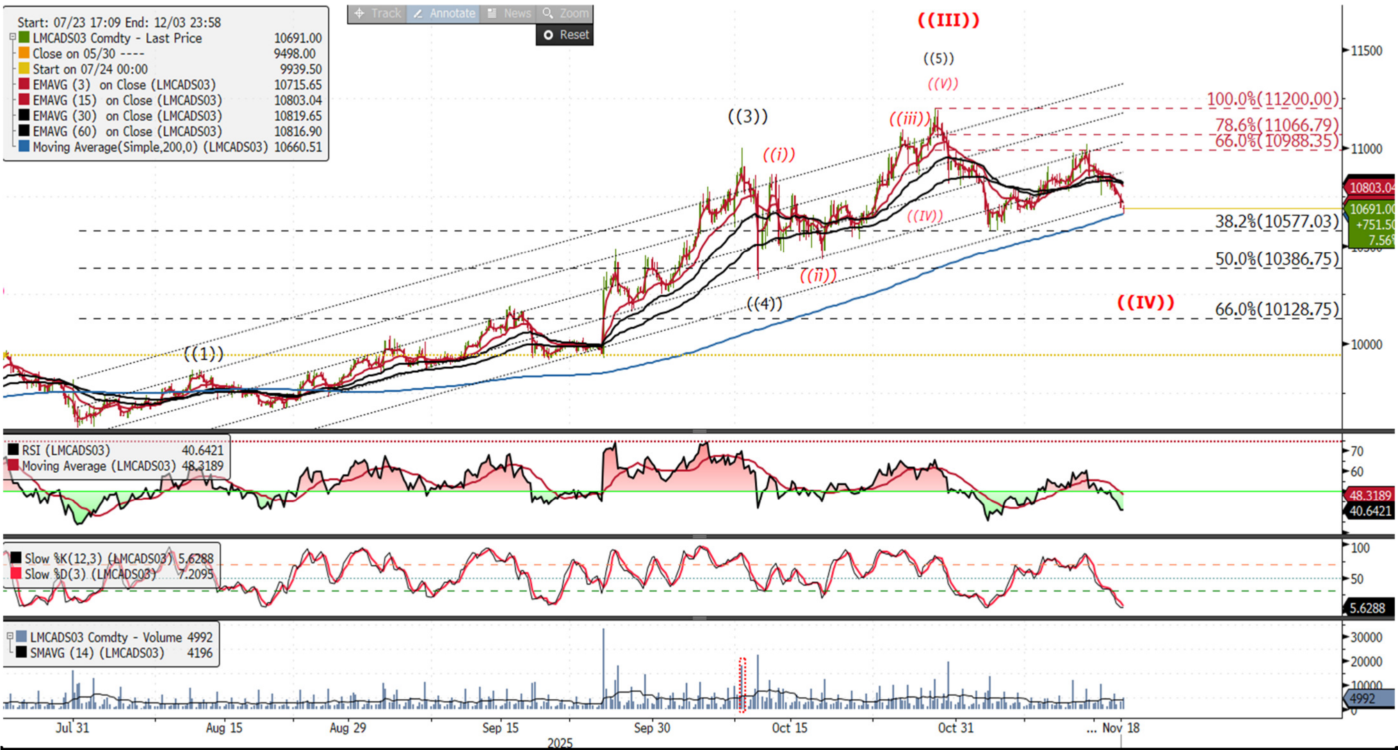
Cu/Al

(Bloomberg) -- Mining shares are the worst performers in Europe on Tuesday, falling as much as 3.2%, as aluminum and copper declined ahead of publication of delayed US economic data.
The mining sector declined the most since July 31
Rio Tinto -2.2% is among the biggest contributors to the declines by index points after the miner reported that it will reduce production at the Yarwun Alumina Refinery in Gladstone by 40% from October 2026, to extend the operation's life until 2035
Anglo American -4.2%, Glencore -2.8%, Antofagasta -3.0%, Boliden -3.3%, are among the biggest laggards in the sector

Aluminum on the LME fell 0.8% to $2,790 a ton by 8:10 a.m. in London, while copper dropped 0.6% and zinc declined 0.5%.
Iron ore futures on the Singapore Exchange little changed at $104.45 a ton

Copper Morning Technical (4-hour)



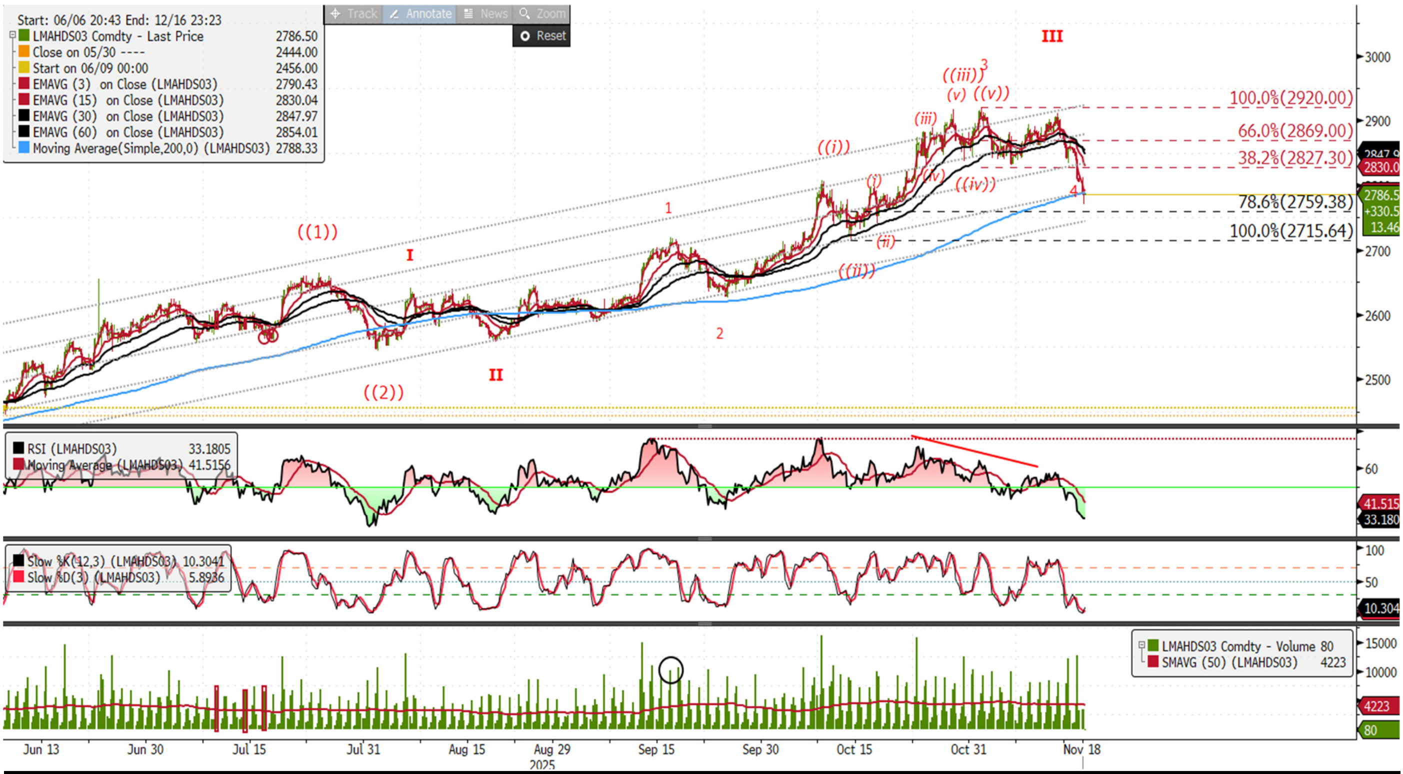
Support		Resistance		Current Price	Bull	Bear
S1	10,660	R1	10,795	10,691	Stochastic oversold	RSI below 50
S2	10,577	R2	10,988			
S3	10,386	R3	11,066			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- The RSI is below 50 (40)
- Stochastic is oversold
- Price is below the daily pivot point USD 10,795
- Technically bearish with a neutral bias on Friday, the probability of the futures trading to a new high had started to decrease. We noted that we had a neutral bias, as the move had been higher than expected; however, as noted in the close report on Thursday, for upside continuation, we needed to close and hold above the linear regression line (USD 11,012), if we didn't, then support could come back under pressure; I had not been convinced that we would go higher. The move lower meant that price was approaching the lower channel support (USD 10,827), a close that held below this level would have bearish implications, warning that the USD 10,727 Fibonacci support could be tested. If broken, it would mean price was back in bearish territory, supporting our original analysis.
- The futures closed below channel support and traded below the USD 10,727 Fibonacci support, meaning the technical now is back in bearish territory. We are below the EMA support band with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 10,795 with the RSI at or above 50.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 10,988 will warn that there could be further downside within the corrective phase, above this level the probability of the futures trading to a new high will start to decrease.
- Technically bearish, the MA on the RSI implies that momentum is weak, whilst intraday Elliott wave analysis suggests that upside moves should be considered as countertrend. The futures are trading over two standard deviations below the linear regression line with price holding just above the intraday 200-period MA (USD 10,660). If we remain above the average then we could see an intraday move higher; however, a close that holds below it will leave support levels vulnerable. We are cautious on upside moves in the near-term, as Elliott wave analysis suggests there is still further downside within the corrective move.

Aluminium Morning Technical (4-hour)



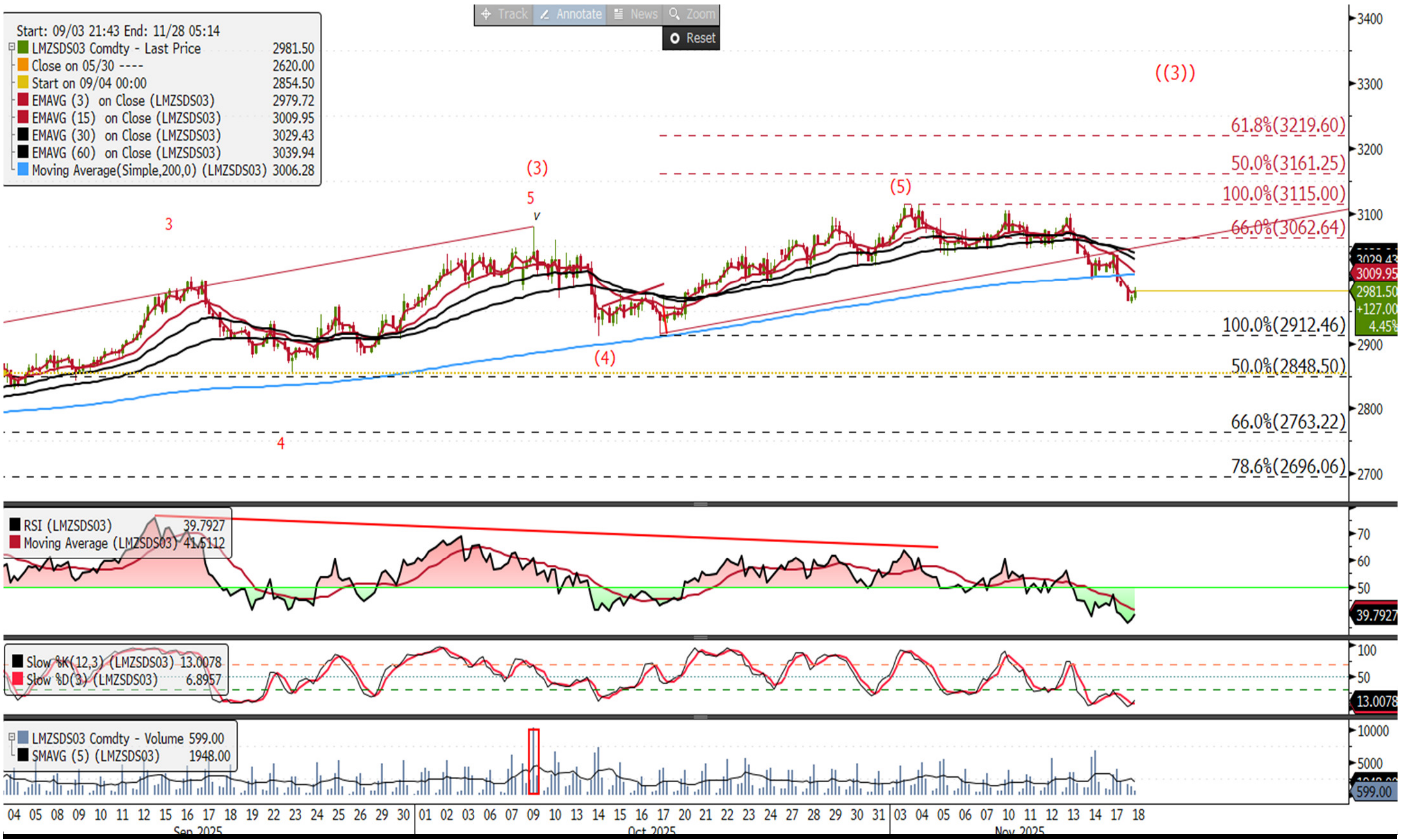
Support		Resistance		Current Price	Bull	Bear
S1	2,759	R1	2,825	2,786.5	Stochastic oversold	RSI below 50
S2	2,745	R2	2,869			
S3	2,715	R3	2,920			

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (33)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,825
- We remained bearish with a neutral bias on Friday, the MA on the RSI was flat, implying buyside momentum had slowed. Price was approaching the USD 2,856 level, if it held it would indicate that there was an underlying support in the market. Conversely, if broken it would mean price was back in bearish territory, suggesting we were looking at a more complex corrective phase. A close above the high of the last dominant bear candle (USD 2,902) would indicate that buyside pressure was increasing, leaving the USD 2,920 fractal high vulnerable. However, we continued to be cautious on upside breakouts, as USD 2,018 was two standard deviations above the linear regression line, whilst above USD 2,920 the futures would be in divergence, suggesting upside moves could struggle to hold.
- The futures have sold below the USD 2,856 level meaning the technical is back in bearish territory. We are below the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,825 with the RSI at or above 44 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,869 will leave the futures vulnerable 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 remains weak. The futures are testing the 200-period MA (USD 2,788); a close that holds below it will leave support levels vulnerable. Conversely, if the average hold, then we could see an intraday move higher; however, lower timeframe Elliott wave analysis suggests that upside moves should be considered as countertrend, making USD 2,869 the key resistance to follow. If broken, then the probability of the futures trading to a new low will start to decrease.

Zinc Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	2,912	R1	3,006	2,981.5	Stochastic oversold	RSI below 50
S2	2,848	R2	3,062			
S3	2,763	R3	3,115			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (39)
- Stochastic is oversold
- Price is below the daily pivot point USD 3,006
- Technically bullish on Friday, the MA on the RSI implied that momentum was weak. The move below USD 3,035.5 meant that the futures had entered a more complex corrective phase, suggesting support levels could come under pressure. We highlighted USD 3,025 as a level of interest, as it was the 100% Fibonacci projection of the previous wave, warning we could see buyside support entering the market around this area. If we held, then resistance could come back under pressure; conversely, a close that held below USD 3,025 would target the 200-period MA at USD 3,001. We noted that this was a benchmark average that market bulls needed to defend, as downside moves that held below the average will target the USD 2,981 Fibonacci support. The futures had failed to trade above the USD 3,115 fractal high previously due to the divergence, making USD 3,025 the key near-term support for directional bias.
- The futures sold below the USD 3,025 level, resulting in the intraday 200-period MA (USD 3,006) being broken. We are below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 3,006 with the RSI at or above 43.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 3,062 will leave the futures vulnerable to further tests to the downside, above this level the technical will be back in bullish territory.
- Technically bullish with a neutral bias, the probability of the futures trading to a new high within this phase of the cycle has started to decrease. The MA on the RSI implies that momentum is weak, whilst lower timeframe Elliott wave analysis suggests that intraday upside moves should in theory be countertrend, this is supported by the RSI making new lows. If we do trade above the USD 3,062 level, then the probability of the futures trading to a new low will start to decrease.