



Base Morning Technical Report

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

(Bloomberg) -- Copper rose to an all-time high after China set domestic growth as its top economic priority for next year, and amid stockpiling of the metal in the US.

The industrial metal climbed as much as 1.3% to \$11,771 a ton, blazing past a record set in the previous session. The latest spike came after Beijing said on Monday it would stick with a "more proactive" fiscal approach and maintain a "moderately loose" monetary stance for the world's second-largest economy.

"The Politburo readouts present a more proactive macro environment than investors have expected," said Xu Wanqiu, an analyst with Chinese brokerage Cofco Futures Co.. "Copper will benefit from policy support toward power-grid upgrades, computing power. The momentum remains very bullish," she said

Trade data from China was also supportive, with exports rebounding last month to beat estimates and push the country's trade surplus past \$1 trillion for the first time in any year.

Copper – a metal critical for electrification and the energy transition – has gained more than 30% on the London Metal Exchange this year. New demand fueled by data centers and electric vehicles has come up against tight global supply, with smelting capacity growing faster than mines can keep up. A series of mine outages has exacerbated a shortage of raw materials.

The rally has accelerated in recent weeks on concerns over an exodus of the metal to the US in anticipation that President Donald Trump will impose tariffs next year. This has squeezed inventories and sent premiums elsewhere to unprecedented highs, while also causing futures in New York to spike above those on the LME.

[Read More: Mercuria Withdraws Huge Volume of Copper From LME as Prices Soar](#)

Global supply of refined copper could see a shortfall of 450,000 tons in 2026, partly due to this stockpiling in America, analysts from Chinese brokerage Citic Securities Co. said in a note. Prices must average above \$12,000 a ton next year to attract the investment needed in new mining capacity to ensure sufficient supply in the medium- to long-term, the Citic analysts, led by Ao Chong, said.

Copper was up 0.8% at \$11,713 a ton on the LME as of 7:18 a.m in London. Other metals were mostly higher, with zinc up 0.8% and aluminum 0.5%.

Copper Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	11,713	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI is above 50 (67)
- Stochastic is overbought
- Price is above the daily pivot point USD 11,727
- Technically bullish on Friday, the futures were seeing a bullish Elliott wave extension; however, the extension was not where we had expected, as it had occurred in the move from the low on the 01/12, not the 21/11. This meant that intraday downside moves were still considered as countertrend, making USD 11,335 the key support to follow. If broken, then the probability of the futures trading to new high would start to decrease. We noted that we could still see a lower timeframe extension from the low on the 21/11, but at that point it was still not confirmed.
- The futures sold to a low of USD 11,556.5, resulting in price breaking to the upside this morning. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are conflicting
- A close on the 4-hour candle below USD 11,727 with the RSI at or below 64 will mean price and momentum are aligned to the sell side. Likewise, a close above this level with the RSI at or above 68.5 will mean it is aligned to the buyside. Downside moves that hold at or above USD 11,357 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the upside move to a new high on the open means that we have a negative divergence in play. Not a sell signal, it is a warning that we could see a momentum slowdown, which needs to be monitored. The futures look like they could be on a lower timeframe Elliott wave 5, meaning we are now cautious on upside moves, as the technical is becoming vulnerable to a move lower.

Aluminium Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	2,899	R1	2,920	2,911.5	RSI above 50	
S2	2,894	R2	2,947			
S3	2,862	R3	2,950			

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (58)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,899
- Technically bullish on Friday, the lower timeframe Elliott wave extension suggested that the USD 2,920 fractal high will be broken within this phase Elliott wave cycle. Price was still in divergent, which needed to be monitored, as it warned that buy-side momentum could slow. If we closed below the low of the bull support candle from previously (USD 2,877.5), it would indicate that sell side pressure was increasing, warning the USD 2,820 support could be tested. This was a key level on the technical, if broken, then the probability of the futures trading to a new high would start to decrease. We noted that the lower timeframe Elliott wave extension warned that downside moves have the potential to be countertrend in the very near-term.
- The futures traded to a high of USD 2,920 before seeing a light pullback, we remain supported this morning. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,899 with the RSI at or above 60.5 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. Downside moves that hold at or above USD 2,821 will support a bull argument, below this level the technical will be back in bearish territory.
- Technically bullish, the futures are moving higher having held the channel support line (USD 2,894), warning the USD 2,920 fractal high remains vulnerable in the near-term. However, price is divergent with the RSI, meaning we are cautious on upside breakouts above this level, as momentum suggests that they could struggle to hold. A close that holds below trend support (USD 2,894) will warn that sell side pressure is increasing, leaving Fibonacci support levels vulnerable.

Zinc Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	3,097	R1	3,131	3,123.5	RSI above 50	Stochastic overbought
S2	3,086	R2	3,156			
S3	3,078	R3	3,189			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (62)
- Stochastic is overbought
- Price is above the daily pivot point USD 3,078
- Technically bullish on Friday, the MA on the RSI implied that we have light momentum support. Our interpretation of the Elliott wave cycle had been that we looked to have completed a 5 wave pattern higher. The three wave corrective pattern was then followed by a new high, suggesting that the lower timeframe 5 had now become a higher timeframe 1, meaning the corrective pattern was two. If our interpretation was correct, then we were on a higher timeframe 3 of this phase of the cycle, this had bullish implications going forward, meaning downside moves should be considered as countertrend. Key support was at USD 3,066, below this level the probability of the futures trading to a new high would start to decrease, bringing into question our interpretation of the Elliott wave count. We were divergent with the RSI, but if we were correct, this divergence had a higher probability of failing.
- The futures sold to a low of USD 3,075.5; however, price has since traded to a new 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 3,078 with the RSI at or below 55.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 3,070 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI implies momentum is supported. As highlighted on Friday, we now look to be on a higher timeframe Elliott wave 3, suggesting downside moves should be considered as countertrend, making USD 3,070 the key support to follow. If broken, then the probability of the futures trading to a new high will start to decrease. We continue to have a minor divergence in play, which needs to be monitored.