FIS

Base Morning Technical Report

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

(Bloomberg) -- Copper retreated from an all-time high as investors turned cautious before a US Federal Reserve meeting that will be scrutinized for signs of a more hawkish stance by the bank's policymakers.

The industrial metal fell as much as 0.7% on the London Metal Exchange. The Fed is expected to deliver a quarter-point cut to interest rates on Wednesday, but any hint at a slower pace of easing in 2026 could hurt risk assets including commodities.

Copper – a metal critical for electrification and the energy transition – has gained more than 30% on the London Metal Exchange this year. The rally has accelerated in recent weeks as material is rushed to the US to front-run possible import tariffs, triggering tighter supplies and record premiums elsewhere.

Copper Morning Technical (4-hour)

Support		Resistance		Current Price	Bull	Bear
S1	11,531	R1	11,663	11,584	RSI above 50	
S2	11,458	R2	11,771			
S3	11,357	R3	11,848			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI is above 50 (59)
- Stochastic is above 50
- Price is below the daily pivot point USD 11,663
- Technically bullish yesterday, the upside move to a new high on the open meant that we had a negative divergence in play. Not a sell signal, it warned that we could see a momentum slowdown, which needed to be monitored. The futures looked like they could be on a lower timeframe Elliott wave 5, meaning we were cautious on upside moves, as the technical was becoming vulnerable to a move lower.
- The futures have started to sell lower with price approaching but remaining above the EMA support band. The RSI is above 50 whilst intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 11,663 with the RSI at or above 66.5 will mean price and momentum are 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 but in a corrective phase, the futures are moving lower on a negative divergence with the RSI. A close below the low of the last dominant bull candle (USD 11,543) will indicate that sell side pressure is increasing, warning the USD 11,357 Fibonacci support could be tested and broken. If it is, then the probability of the futures trading to a new high will start to decrease. With price moving lower on a negative divergence with the RSI, we are cautious on upside moves in the near-term.

Aluminium Morning Technical (4-hour)

Support		Resistance		Current Price	Bull	Bear
S1	2,862	R1	2,891	2,911.5	Stochastic oversold	RSI below 50
S2	2,845	R2	2,906			
S3	2,821	R3	2,920			

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (46)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,891
- Technically bullish yesterday, the futures were moving higher having held the channel support line (USD 2,894), warning that the USD 2,920 fractal high remained vulnerable in the near-term. However, price was divergent with the RSI, meaning we are cautious on upside breakouts above this level, as momentum suggested that they could struggle to hold. A close that held below the trend support (USD 2,894) would warn that sell side pressure was increasing, leaving Fibonacci support levels vulnerable.
- The futures closed below the trend support line, resulting in the Fibonacci support zone coming under pressure. 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 2,891 with the RSI at or above 57 will mean price and momentum are aligned to the buyside. 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 but in a corrective phase, the MA on the RSI implies that momentum is weak. The futures look to have completed a lower timeframe Elliott wave cycle with price now below the rising trend line (USD 2,906). The downside move on the negative divergence brings into focus the USD 2,821 Fibonacci support; if we hold this level then it will warn that there is an underlying bull support in play, leaving price vulnerable to a larger wave cycle. However, if we break this level, then the probability of price trading to a new high will start to decrease. Having traded up to USD 2,920, this would suggest that we could still be looking at a larger corrective phase (W, X, Y). Fibonacci support is now looking vulnerable, meaning focus should shift to the USD 2,821 support, which would have bearish connotations going forward in the near-term.

Zinc Morning Technical (4-hour)

Support		Resistance		Current Price	Bull	Bear
S1	3,097	R1	3,115	3,097	RSI above 50	Stochastic overbought
S2	3,086	R2	3,131			
S3	3,078	R3	3,156			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (54)
- Stochastic is overbought
- Price is below the daily pivot point USD 3,115
- Technically bullish on Friday, the MA on the RSI implied that momentum was supported. As highlighted on Friday, we looked 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 continued to have a minor divergence in play, which needed to be monitored.
- The futures traded back up to USD 3,135.5 before selling lower in the Asian day session today. We remain above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 3,115 with the RSI at or above 61 will mean price and momentum are aligned to the buyside. 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.
- Bullish but in a corrective phase, the MA on the RSI implies that we have light momentum weakness. We have this move as bullish impulse, 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. At this point, we would have to re-evaluate our wave analysis due to the depth of the pullback. If we see a 4-hour close below the low of the last dominant bull candle (USD 3,099), it will warn that sell side pressure is starting to increase.
-