Base Morning Technical Report

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

Cu

(Bloomberg) -- Copper rose — clawing back some of Friday's steep drop — as investors refocused on prospects for a tighter market in 2026.

The industrial metal climbed as much as 1.5% on the London Metal Exchange after plummeting 3% in the previous session as a selloff in shares linked to artificial intelligence stoked concern about demand for the metal used in electrical wiring and renewable energy equipment.

Copper has rallied more than 30% this year after a series of mine disruptions cut supply, and as traders ship huge volumes to the US ahead of potential import tariffs. A wave of investment in green energy and power infrastructure has also spurred optimism for longer-term demand.

"Demand continues to beat expectations, despite concerns over the global economy and the fall in China's economic growth," ANZ Group Holdings Ltd. analysts led by Brian Martin said in a note. "We are bullish on copper and expect the market to move further into deficit in 2026."

Still, the tumble on Friday shows how the metal's fortunes are now partly tied to the fate of the US technology boom, and are vulnerable to any ebbing of optimism on artificial intelligence and tech valuations.

Copper rose 1.2% to $11,656.50 a ton on the LME as of 1242 p.m. in Shanghai, after soaring to a record high near $12,000 a ton on Friday before reversing those gains due to the technology rout on Wall Street. Zinc jumped 1.1% on Monday and aluminum was up 0.4%.

Copper Morning Technical (4-hour)

Support		Resistance		Current Price	Bull	Bear
S1	11,639	R1	11,781	11,672.5	RSI above 50	
S2	11,545	R2	11,975			
S3	11,294	R3	12,105			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI is above 50 (55)
- Stochastic is oversold
- Price is above the daily pivot point USD 11,639
- Technically bullish on Friday, the MA on the RSI implied that momentum was supported. The new high meant that the futures were in divergence with the RSI, not a sell signal it warned that we could see a momentum slowdown, which needed to be monitored. However, the upside moves meant that we had seen a lower timeframe Elliott wave extension, indicating intraday downside moves should be considered as countertrend in the near-term, making USD 11,610 the key support to follow. If broken, then the probability of price trading to a new high would start to decrease. We noted that the upside breakout yesterday had volume support, whilst we had seen a lower timeframe Elliott wave extension, resulting in an oscillator push higher, meaning we were now on alert for a possible wave extension on the higher timeframe also.
- The futures sold lower into the close on Friday, resulting in price trading below the USD 11,610 level; however, we have opened with light bid support this morning. We are above the EMA support band with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 11,639 with the RSI at or above 61.5 will mean price and momentum are aligned to the buyside; likewise, a close below this level will mean it is aligned to the sell side. Upside moves that fail at or below USD 11,781 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 has started to decrease, warning the lower timeframe Elliott wave extension has a greater chance of failing. The downside move has resulted in price closing below the low of the last dominant 4-hour candle (USD 11,669), we also note that the downside moves has been on a higher volume candle, implying sell side pressure has increased. If we trade above USD 11,781 then the technical will be back in bull territory; however, unless we close above the high of the last dominant bear candle (USD 11,909.5), market bulls will need to be cautious, especially as price will be divergent above USD 11,952.

Aluminium Morning Technical (4-hour)

Support		Resistance		Current Price	Bull	Bear
S1	2,862	R1	2,877	2,875		
S2	2,845	R2	2,899			
S3	2,821	R3	2,921			

Source Bloomberg

Synopsis - Intraday

- Price is between the EMA support band (Black EMA's)
- RSI is below 50 (49)
- Stochastic is below 50
- Price is below the daily pivot point USD 2,877
- Technically bullish on Friday, the MA on the RSI implied that momentum was supported, whilst the move above USD 2,893 indicated that buyside pressure was increasing; however, for upside continuation, price needed to hold above the linear regression line. If we did, then the USD 2,920 fractal high would become vulnerable. Key support remained unchanged at USD 2,821, if broken, then the probability of price trading to a new high would start to decrease.
- The futures failed to close and hold above the linear regression line (USD 2,903.5), resulting in price selling lower. We are below the EMA support band with the RSI near-neutral at 49, intraday price and momentum are conflicting, as the previous candle closed above the daily pivot point.
- A close on the 4-hour candle above USD 2,877 with the RSI at or above 54 will mean price and momentum are aligned to the buyside; 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.
- Bullish but in a corrective phase, the futures have sold lower having rejected the linear regression line, resulting in a high volume dominant bear candle, warning sell side pressure has increased. If we close above the high of the dominant bear candle (USD 2,895.5), it will indicated that market bulls are supporting the technical; however, for upside continuation, the futures will need to close and hold above the linear regression line. Key support is unchanged at USD 2,821, below this level the probability of the futures trading to a new high will start to decrease.

Zinc Morning Technical (4-hour)

Support		Resistance		Current Price	Bull	Bear
S1	3,167	R1	3,150	3,145.5	RSI above 50	
S2	3,150	R2	3,184			
S3	3,129	R3	3,229			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (55)
- Stochastic is below 50
- Price is below the daily pivot point USD 3,150
- Technically bullish on Friday, the MA on the RSI implied that momentum was supported. The upside breakout Previously was on a high volume candle, whilst our Elliott wave analysis continued to suggest that downside moves should be considered as countertrend, making USD 3,100 the key support to follow. Below this level the probability of the futures trading to a new low would start to decrease.
- The futures have entered a corrective phase with price now in the Fibonacci support zone. We are above the EMA support band wit the RSI above 50, intraday price and momentum are aligned to the buyside, as the previous candle closed above the daily pivot level.
- A close on the 4-hour candle above USD 3,150 with the RSI at or above 62 will mean price and momentum are aligned to the buyside; likewise, a close below this level will mean it is aligned to the sell side. Downside moves that hold at or above USD 3,100 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish but in a corrective phase, our Elliott wave analysis continues to warn that downside moves should be considered as countertrend. A close below the low of the high volume dominant bull candle (USD 3,120.5) will indicate that sell side pressure is increasing, warning the USD 3,100 Fibonacci support could come under pressure. If broken, then the probability of the futures trading to a new high will start to decrease.