



Base Morning Technical Report

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Al

(Bloomberg) -- Chinese aluminum output rose to an all-time high last year, climbing above the country's capacity limit, while steel fell to a seven-year low, underscoring dramatically different prospects for the two most widely used metals.

Aluminum production increased 2.4% to 45.02 million tons, having risen every year this decade, according to the statistics bureau on Monday. The figure for December was a record 3.87 million tons. Annual steel output declined 4.4% to 961 million tons, falling below the 1 billion mark for the first time since 2019, with December at a two-year low of 68.2 million tons.

Copper Morning Technical (4-hour)



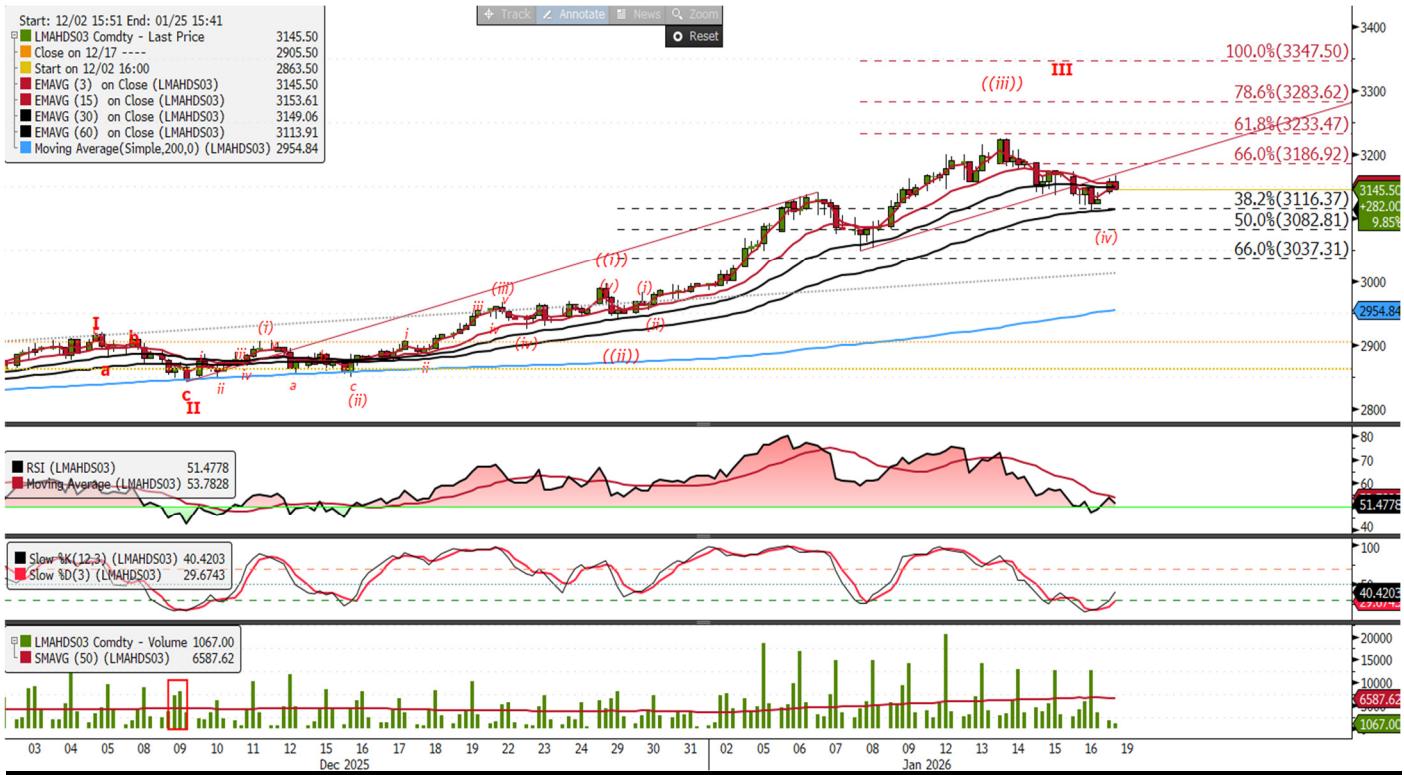
Support		Resistance		Current Price		Bull	Bear
S1	12,894	R1	13,164	12,922		Stochastic oversold	RSI below 50
S2	12,829	R2	13,485				
S3	12,532	R3	13,713				

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA support band (Black EMA's)
- The RSI is below 50 (48)
- Stochastic is oversold
- Price is above the daily pivot point USD 13,894
- Technical outlook on Friday: Bullish but corrective. Continued sell-side pressure in the futures had resulted in a weakening of momentum with the moving average on the RSI turning lower. The lower timeframe Elliott wave cycle was approaching an inflection point at USD 12,829, a break below this level would neutralize the cycle indicating that we may be entering a higher timeframe corrective Elliott wave 4. On the buy-side, a hold above USD 12,829 with price and momentum becoming aligned to the buy-side would imply buy-side support had entered the market and warn price was vulnerable to a lower timeframe bullish wave extension. As highlighted previously, any downside moves were still viewed as corrective rather than signaling a broader trend reversal. However, weakening momentum driven by the divergence suggested that the USD 12,829 support could be broken.
- The futures traded below the USD 12,829 support on Friday before seeing light bid support on the open. Price is between the EMA support band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 13,894 with the RSI at or above 52.5 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. Upside moves that fail at or below USD 13,164 will warn that there could be further downside within the corrective phase.
- Technical outlook: bullish—higher timeframe correction. The broader trend remains bullish; however, the move below USD 12,829 confirms a deep corrective pullback. This development reduces the probability of the USD 13,387.5 fractal high being reached during the current phase of the cycle. We identify USD 13,164 as a key resistance to monitor as a rejection of this level will indicate there could be further downside within the corrective phase; conversely, a break above USD 13,164 would signal that price has re-entered bullish territory. Momentum indicators reinforce a cautious stance. The RSI moving average is trending lower, signaling weakening momentum, while the depth of the pullback implies caution against intraday moves higher while price remains below USD 13,164.

Aluminium Morning Technical (4-hour)



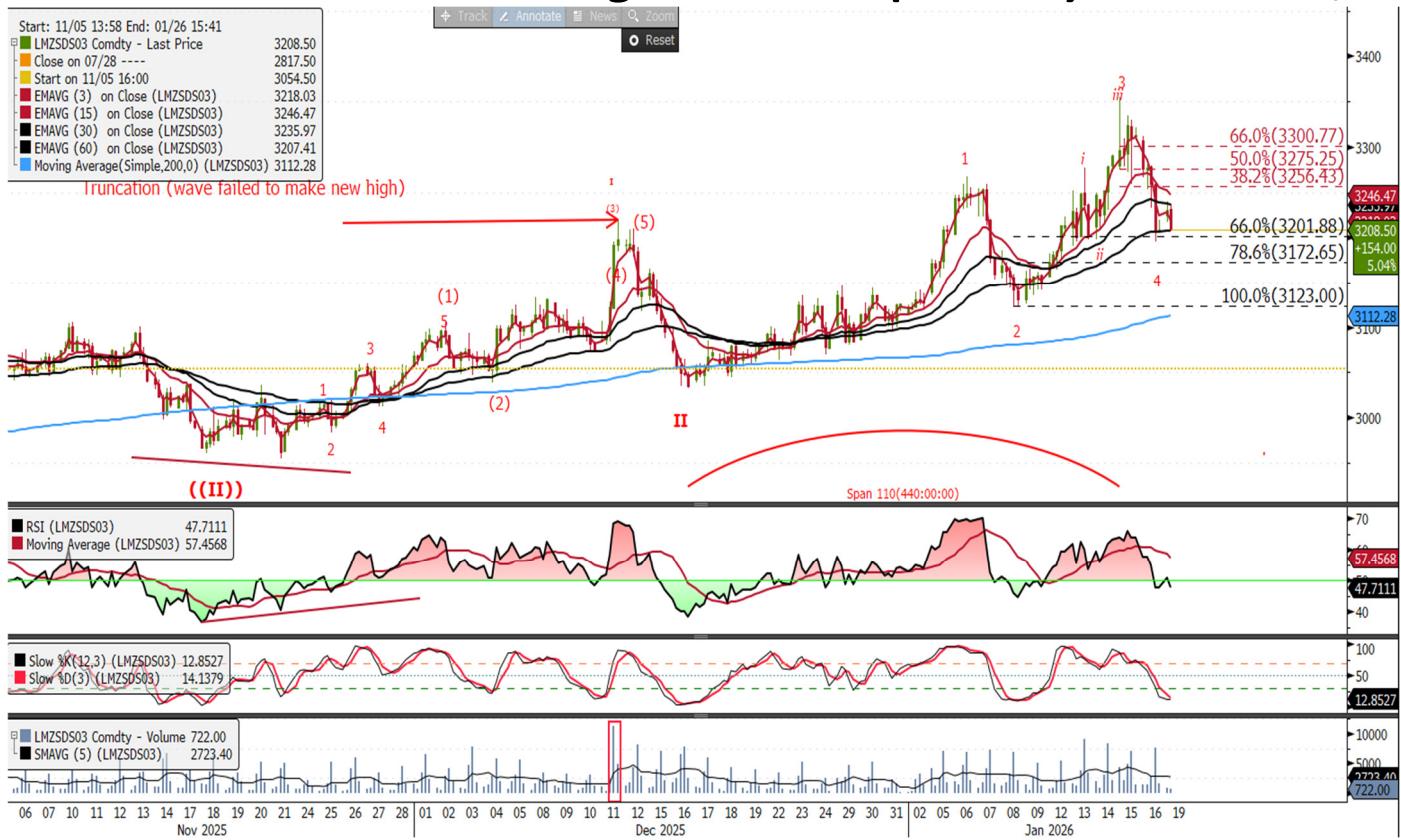
Support	Resistance	Current Price	Bull	Bear
S1	3,140	R1	3,186	
S2	3,116	R2	3,225	
S3	3,082	R3	3,233	

Source Bloomberg

Synopsis - Intraday

- Price is between the EMA support band (Black EMA's)
- RSI is above 50 (51)
- Stochastic is oversold
- Price is above the daily pivot point USD 3,140
- Technical outlook on Friday: Bullish Throwback. Weakening price action driven by the divergence had resulted in the Fibonacci support zone being tested, while the moving average on the RSI implied momentum weakness. As highlighted previously, while near-term price action was corrective, the broader structure remained bullish while price held above USD 3,037. A move below USD 3,037 would indicate increasing sell-side pressure and undermine the integrity of the broader bullish structure. On the buyside, a close above the high of the last high volume dominant bear candle at USD 3,174 will imply a change in sentiment, indicating buyside pressure was increasing, indicating that buy-side pressure was increasing.
- The futures sold to a low of USD 3,113 before seeing light bid support on the Asian open. We remain between the EMA support band with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 3,140 with the RSI at or above 56 will mean price and momentum are aligned to the buyside; likewise, a close below USD 3,140 will mean it is aligned to the sell side. Downside moves that hold at or above USD 3,037 will support a bull argument, below this level the technical will have a neutral bias, suggesting we could be entering a higher timeframe corrective wave 4.
- Technical outlook: Bullish throwback. Futures remain in a corrective phase while the broader structure remains bullish above USD 3,037. The RSI moving average implies momentum continues to remain weak, a move below USD 3,037 would indicate increasing sell-side pressure and undermine the integrity of the broader bullish structure. On the buyside, a break above USD 3,186 will indicate buy-side pressure has increased and suggest price is exiting the corrective phase. Conversely, a rejection at USD 3,186 would warn of rising near-term selling pressure.

Zinc Morning Technical (4-hour)



Support		Resistance		Current Price		Bull	Bear
S1	3,201	R1	3,309	3,208.5	Stochastic oversold	RSI below 50	
S2	3,172	R2	3,358				
S3	3,123	R3	3,421				

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (47)
- Stochastic is oversold
- Price is below the daily pivot point USD 3,238
- Technical outlook on Friday: Bullish corrective. Futures were testing but holding above the USD 3,251 support level, placing the technical at an inflection point. If we held above this level then the integrity of the lower timeframe Elliott wave cycle would remain intact. A break below USD 3,251 would neutralize the lower-timeframe structure; however, the broader technical outlook would remain bullish, albeit corrective. On the buy side, sellers positioned on the rejection candle should exercise caution if support held and price and momentum realigned to the buy side, as this would signal an increase in buy-side pressure.
- Support failed on Friday resulting in price selling lower. Price is between 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 3,238 with the RSI at or above 59.5 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 3,300 will leave the futures vulnerable to further tests to the downside, above this level price will re-enter bullish territory.
- Technical outlook: Neutral. Futures are trading lower on increased volume, with price breaking below USD 3,251 and breaching USD 3,201 support. The move beneath USD 3,201 has weakened the broader structure, warranting caution.
- A close above the high of the most recent high-volume dominant bull candle (USD 3,260.5) would signal increasing intraday buy-side pressure, while a sustained move above USD 3,300 would mark a re-entry into bullish territory. The pullback has been deeper than expected; therefore, the technical stance remains neutral, with caution advised on higher moves at this stage.