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Bloomberg) -- Copper contracts expiring tomorrow trade at a \$65.80 premium to those expiring a day later on the London Metal Exchange, rising from a narrow discount seen on Monday.

The spread is a closely watched gauge for spot demand, with the premium often signaling rising orders for metal in the LME's exchange warehouse network

The emergence of the premium, known as a backwardation, comes a day ahead of the expiry of the LME's main January contract

Holders of short positions will need to deliver metal if the contracts are held to expiry

The Tom/next spread traded at \$65.80 a ton as of 07:55 a.m. in London, in the biggest backwardation since June 26

# Copper Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	12,936	R1	13,164	
S2	12,829	R2	13,485	
S3	12,532	R3	13,713	RSI below 50

## Synopsis - Intraday

Source Bloomberg

- Price is between the EMA support band (Black EMA's)
- The RSI is below 50 (49)
- Stochastic is above 50
- Price is above the daily pivot point USD 12,936
- Technical outlook yesterday: bullish—higher timeframe correction. The broader trend remained bullish; however, the move below USD 12,829 confirmed a deep corrective pullback. This development reduced 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 would 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 reinforced a cautious stance. The RSI moving average was trending lower, signaling weakening momentum, while the depth of the pullback implies caution against intraday moves higher while price remained below USD 13,164.
- Sideways action yesterday the futures remain below the EMA support band with the RSI near-neutral at 49, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 12,936 with the RSI at or above 50.5 will mean price and momentum are aligned to the buyside; likewise, a close below this level with the RSI at or below 46 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.
- Price remains in a corrective phase within a broader bullish trend. The RSI is in the process of crossing its moving average, with the average flattening—suggesting momentum is transitioning toward neutral. USD 13,164 is the key resistance level to monitor. A rejection at this level would indicate the potential for further downside within the corrective phase. Conversely, a break above USD 13,164 would signal that price has re-entered bullish territory. While momentum is shifting toward neutral, upside moves should be treated with caution while price remains below USD 13,164.

# Aluminium Morning Technical (4-hour)



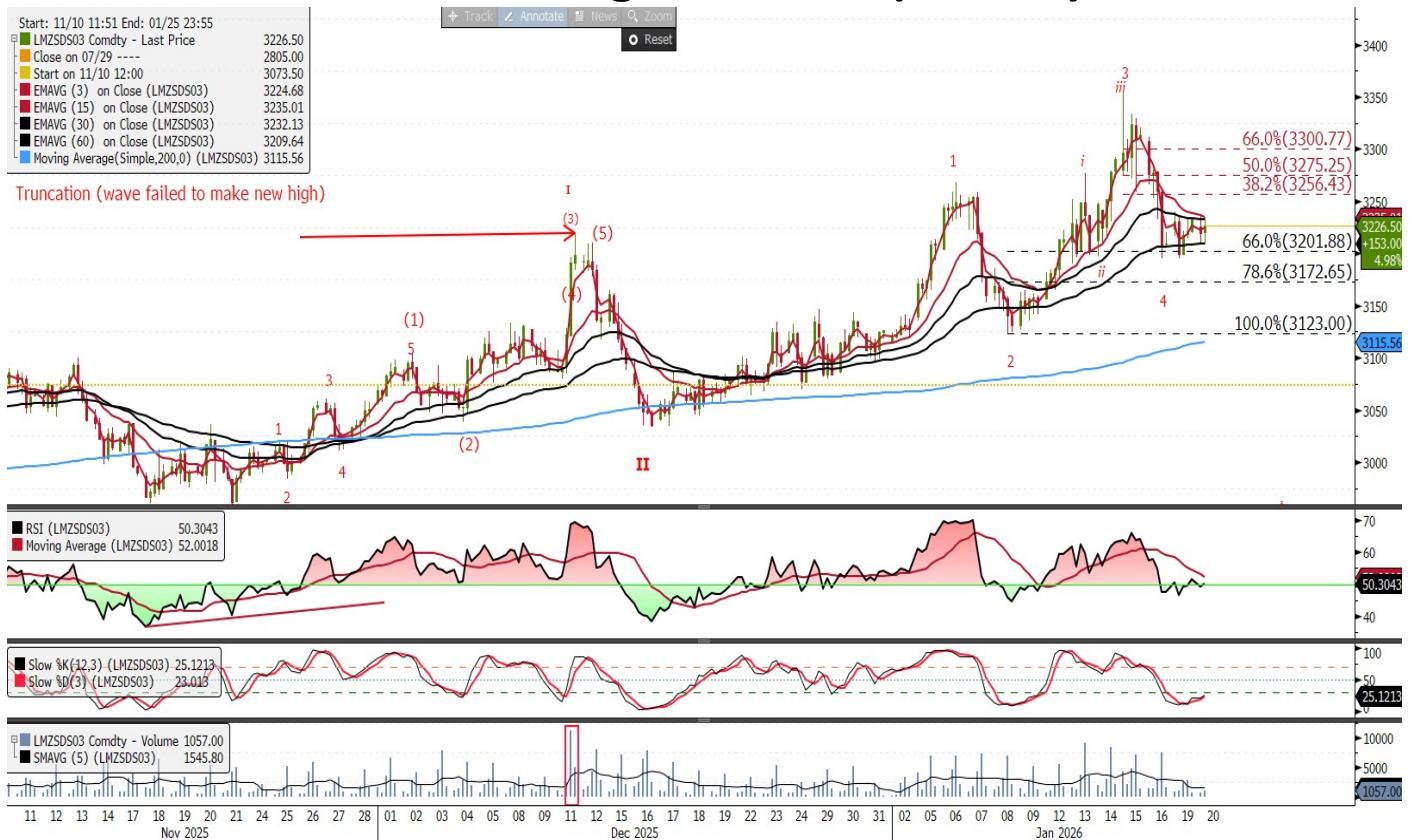
Support				Resistance				Current Price				Bull				Bear			
S1	3,116	R1	3,150	3,146				Stochastic oversold											
S2	3,082	R2	3,186																
S3	3,037	R3	3,225																

Source Bloomberg

## Synopsis - Intraday

- Price is between the EMA support band (Black EMA's)
- RSI is above 50 (51)
- Stochastic is oversold
- Price is below the daily pivot point USD 3,150
- Technical outlook yesterday: Bullish throwback. Futures remained in a corrective phase while the broader structure remained bullish above USD 3,037. The RSI moving average implies momentum continued 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 would indicate buy-side pressure had increased and suggest price is exiting the corrective phase. Conversely, a rejection at USD 3,186 would warn of rising near-term selling pressure.
- The futures are unchanged in price from yesterday. We are between the EMA support band with the RSI near-neutral at 51. intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 3,150 with the RSI at or above 52.5 will mean price and momentum are aligned to the buyside. 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: (rhetoric unchanged) 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	3,218	R1	3,256	
S2	3,201	R2	3,3275	
S3	3,172	R3	3,300	

## Synopsis - Intraday

Source Bloomberg

- Price is between the EMA support band (Black EMA's)
- RSI is at 50 (50)
- Stochastic is oversold
- Price is above the daily pivot point USD 3,218
- Technical outlook yesterday: Neutral. Futures were trading lower on increased volume, with price breaking below USD 3,251 and breaching USD 3,201 support. The move beneath USD 3,201 had 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. We noted that the pullback had been deeper than expected; therefore, the technical stance remained neutral, with caution advised on higher moves at that stage.
- Price is finding light bid support but remains between the EMA support band. The RSI is neutral at 50 while price and momentum are conflicting.
- A close on the 4-hour candle above USD 3,218 with the RSI at or above 54.5 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 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. Price is starting to consolidate between the EMA support band while the RSI moving average implies that momentum remains weak. As highlighted yesterday, a close above the high of the last high volume dominant bear candle (USD 3,206.5) would signal increasing intraday buy-side pressure, while a break above USD 3,300 would mark a re-entry into bullish territory. We maintain a neutral bias as the pullback has been deeper than expected; however, the high volume sell candle and deep pullback do suggest caution on higher moves at this point.