



# Base Morning Technical Report

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(Bloomberg) -- Copper steadied as traders weighed uncertainty around US tariff policy and its potential impact on key trading partners including China.

Futures were little changed below \$13,000 a ton on the London Metal Exchange, after a narrow gain last week. The US Supreme Court last week ruled against President Donald Trump's use of emergency powers to set reciprocal trade duties, prompting the administration to roll out an alternative 10% global levy, which was then raised to 15%.

The shift may lower the average tariff on Chinese goods to 24% from 32%, according to Morgan Stanley. Still, while that may aid metal-intensive exporters there, the relief could be temporary as trade policy may shift further.

Copper, which has consolidated at a high level since hitting a record in January, was buffeted last year by frequent shifts in US trade policy, as well as mine snarls and forecasts for higher consumption from the energy transition. Tariffs typically undermine world economic growth, curbing demand for commodities.

Investors are waiting for the return of Chinese traders after the Lunar New Year break, with markets to reopen on Tuesday. Higher copper prices can weigh on physical demand in the world's top consumer, causing inventories to build.

Copper was 0.1% lower at \$12,950 a ton on the LME at 3:09 p.m. in Singapore. Other metals were mixed, with zinc falling 0.3% and tin gaining 0.9%. Iron ore futures rose 0.2% in Singapore.

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	12,920	R1	12,960	RSI above 50	Stochastic overbought
S2	12,855	R2	13,471		
S3	12,670	R3	13,809		

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- The RSI is above 50 (51)
- Stochastic is overbought
- Price is above the daily pivot point USD 12,920
- Technical outlook Friday: Neutral—Inflection point
- Unchanged on the technical on Friday. The MA on the RSI implied that we had light momentum support; however, price remained just below the intraday 200-period MA, meaning support levels were technically still vulnerable. A close that held above the average would signal an increase in buy-side pressure. Having moved higher on a positive divergence on the RSI, we maintain a cautious approach on downside moves at that point. With price still trading around the 200-MA the technical had a more neutral bias at that point.
- The futures traded to a high of USD 13,050 before seeing bids fade a little. We are above the EMA support band with the RSI above 50. intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 12,920 with the RSI at or below 46.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 11,940 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook : Inflection point
- Having traded higher price is back below the 200-period MA at USD 12,960. The MA on the RSI implies that momentum is supported; however, the RSI is starting to move lower with price, suggesting we are seeing signs of momentum weakness. A close that holds below the longer-term average will warn that support levels could come under pressure, while a daily close below the weekly pivot level at USD 12,855 will signal an increase in sell side pressure. Conversely, failure to close below the 200-period MA will indicate there is an underlying support in the market. Early signals of momentum weakness, market buyer's should be cautious if price starts closing below the daily pivot at USD 12,920.

# Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,096	R1	3,100	RSI above 50	Stochastic overbought
S2	3,083	R2			
S3	3,069	R3			

Source Bloomberg

## Synopsis - Intraday

- Price is above the EMA resistance band (Black EMA's)
- RSI is at 50 (53)
- Stochastic is above 50
- Price is above the daily pivot point USD 3,096
- Technical outlook Friday: Breaching symmetrical triangle resistance
- The futures were testing a resistance line on a symmetrical triangle (USD 3,083), we noted that a close above the resistance line would indicate buy-side pressure was increasing, warning resistance levels are vulnerable. However, we had the 200-period MA at USD 3,096. A bullish breakout was also going to need to close and hold above the average for upside continuation. Technically resistance was vulnerable, while caution was required on downside moves due to the multiple support levels.
- The futures broke the symmetrical triangle to the upside, resulting in a small move higher; however, price is currently below the intraday 200-period MA. We are above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buy-side.
- A close on the 4-hour candle below USD 3,096 with the RSI at or below 49 will mean price and momentum are 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 have a neutral bias.
- Technical outlook : Inflection point
- The symmetrical break to the upside signals we are in the process of seeing an increase in buy-side pressure, but price is currently on/below the 200-period MA at USD 3,107, meaning we are at an inflection point. The RSI moving average indicates momentum is currently supported; however, while below the 200 MA, price suggests that support levels remain vulnerable. A close that holds above the USD 3,107 level will further support a buyers argument; conversely, a close below the trend resistance line of the symmetrical triangle at USD 3,069 will signal the pattern breakout has failed. With fractal and trend support below us we remain cautious on lower moves, countering this, for upside continuation the futures need to close and hold above the 200-period MA. With price at an inflection point, we have a more neutral bias on the technical this morning.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,368	R1	3,376	RSI above 50	Stochastic overbought
S2	3,274	R2			
S3	3,252	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (54)
- Stochastic is overbought
- Price is above the daily pivot point USD 3,368
- Technical outlook Friday. Buy-side pressure increasing
- Having held the 200-period MA at USD 3,258 previously the futures had moved above all key moving averages. The RSI moving average implied we have momentum support, warning the USD 3,388 Fibonacci resistance could be tested and broken. If it was, then the probability of price trading to a new low will begin to decrease; conversely, a rejection below USD 3,388 would warn that there could be further downside within the technical. On the daily chart we had a hammer candlestick (bull support) followed by a bullish confirmation candle, this indicating that we were seeing an increase in buy-side pressure, meaning we had a cautious approach on downside moves at that point.
- The futures continued to move higher resulting in price breaching the USD 3,388 resistance. Price is above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buy-side.
- A close on the 4-hour candle below USD 3,368 with the RSI at or below 50.5 will mean price and momentum are aligned to the sell side. Technical outlook. 1-hour divergence—caution on upside moves in the near-term.
- The upside move above USD 3,388 warns that the probability of price trading to a new low has begun to decrease. However, the new high has created a negative divergence with the RSI, warning price is vulnerable to a momentum slow-down in the near-term. The RSI moving average has started to flatten, indicating evidence that buy-side momentum is already slowing, suggesting intraday market buyer's should act with caution at this point.