



Base Morning Technical Report

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(Bloomberg) -- Copper extended this week's gains as investors chased a metals rally after China's Politburo called for more policies to boost domestic consumption. Tin also climbed toward a record high.

Industrial metals rose in afternoon trading in Asia after top lawmakers in Beijing urged more proactive fiscal policy and moderately loose monetary policy to stimulate demand.

"Funds rushed in to buy at the first sign of market movement," said Li Xuezhi, head of research at Chaos Ternary Futures Co. "Many investors are still positioned to buy."

Copper was on track to gain more than 3% for the week, also aided by US President Donald Trump's new tariff on all imports, which effectively lower the duty on incoming Chinese goods.

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	13,384	R1	13,469.5	RSI above 50	Stochastic overbought
S2	13,258	R2			
S3	13,103	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- The RSI is above 50 (65)
- Stochastic is overbought
- Price is above the daily pivot point USD 13,258
- Technical Outlook Thursday: Minor divergence on the 1-hour timeframe.
- The futures had seen a small intraday pullback due to the 1-hour divergence with the RSI, we noted that a move above USD 13,350 would create further divergences, meaning we remained cautious on higher moves in the near-term. The RSI moving average did imply momentum support; however, the lower timeframe momentum weakness offsets this. Price was back in the rising channel, a close below channel support at USD 13,033 and the 200-period MA at USD 13,008 would indicate an increase in sell side pressure, warning the USD 12,582.5 and USD 12,528 fractal support zone could be tested.
- The futures traded to a low of USD 13,168 before finding bid support in the form of a bullish support candle. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buy-side.
- A close on the 4-hour candle below USD 13,258 with the RSI at or below 59 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: Buy-side pressure increasing, 1-hour RSI testing resistance
- The bullish support candle yesterday has resulted in an intraday move higher on the open. The RSI is now testing resistance on the 1-hour timeframe, increasing the probability of divergence failure, while our intraday Fibonacci projections suggest we have a potential near-term upside target at USD 13,642. We should note that the oscillator cross on the lower timeframe is minimal, meaning there is still the potential for a bullish Elliott wave extension. Buy-side pressure is intensifying, highlighted by the rising moving average on the RSI and the 4-hour RSI making new highs, signaling bullish momentum confirmation.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,142	R1	3,160	RSI above 50	
S2	3,114	R2			
S3	3,069	R3			

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (59)
- Stochastic is above 50
- Price is above the daily pivot point USD 3,142
- Technical outlook Thursday: Momentum confirmation—volume support
- The upside move in the futures yesterday was being replicated by the RSI, indicating we had momentum confirmation; likewise, the increased volume on the move higher previously implied increased conviction, suggesting intraday downside moves have the potential to be countertrend. We identify USD 3,069 as the key near-term support to follow, as corrective moves that held at or above this level would suggest that there was an underlying support in the market. Conversely, below USD 3,069 would signal an increase in sell-side pressure. A pattern break with momentum confirmation, alongside increased volumes suggest the technical condition is strengthening, warning resistance is becoming increasingly vulnerable.
- The futures entered a corrective phase yesterday with price reverting back to but holding the 200-period MA at USD 3,118, resulting in price moving higher 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 below USD 3,142 with the RSI at or below 56.5 will mean price and momentum are aligned to the sell side. Likewise, a close above this level with the RSI at or above 61 will mean it is aligned to the buy 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: Neutral—conflicting between volume and momentum
- The futures have seen volume support on the 200-period MA yesterday, resulting in price moving higher. However, above USD 3,175 price will be divergent with the RSI, warning buy side pressure could slow, implying caution on upside breakouts above USD 3,175. The conflicting technical means we have a neutral bias this morning. For upside continuation, we need to see divergence failure followed by a breach in the USD 3,227 Fibonacci resistance.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,367	R1	3,376.5		RSI below 50
S2	3,313	R2			
S3	3,291	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (51)
- Stochastic is below 50
- Price is above the daily pivot point USD 3,367
- Technical outlook Thursday. Sell-side pressure increasing but not confirmed
- The futures were coming under pressure yesterday due to the lower timeframe divergence highlighted previously. The break below the channel support line is a warning that sell-side pressure is starting to decrease (correction-increase); however, price was yet to close below the low of the last dominant bull candle at USD 3,360. In theory, below USD 3,313 the probability of the futures trading to a new high would start to decrease, based on the depth of the pullback. The caveat was that we had the 200-period MA at USD 3,291, we highlighted that the average was more important than the Fibonacci level, corrective moves that hold at or above this level will indicate underlying support in the market. Conversely, a close and hold below the average would further weaken the technical. Price action was weakening, but we were yet to close below the last dominant bull candle.
- The futures produced a close below USD 3,360, however, the candle in question had downside rejection, resulting in light bid support. We are above the EMA support band with the RSI near-neutral at 51, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 3,367 with the RSI at or above 54.5 will mean price and momentum are aligned to the buy side. Likewise, a close below this level with the RSI at or below 52 will mean it is aligned to the sell side. Downside moves that hold at or above USD 3,313 will support a near-term bull argument, below this level the USD 3,253 support will become vulnerable.
- Technical outlook. Sell-side pressure increasing
- Although the futures are seeing light bid support, sell side pressure has increased due to the close below the low of the last dominant bull candle. However, at this point, there is not a dominant bear candle in play. A close back above the lower channel support line at USD 3,406 (this is currently considered as resistance line), will indicate an increase in buy side pressure. Likewise, a daily close above USD 3,458.5 where price has breached the USD 3,460 resistance will warn that the USD 3,575.5 resistance is vulnerable. The 200-period MA at USD 3,298 remains the key support line to follow; a close that holds below this level will further weaken the technical; conversely, if the average holds, it will warn that there is an underlying support in the market.