



# Base Morning Technical Report

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METALS DAYBOOK EMEA: China Rare Earth Clamp Down; Iron Ore Rise

(Bloomberg) -- Shares in China's major rare earths producers advanced after the government unveiled detailed penalties for unauthorized production, marking a fresh effort to bolster Beijing's "total control" regime for the geopolitically pivotal industry. Meanwhile, Iron ore rose toward a one-month high, despite a resolution of a dispute between BHP Group and China Mineral Resources Group Co. that had supported prices by putting some supply at risk.

BASE METALS:

Copper Snaps Four-Day Decline on China Buying Ahead of Holiday

Appalachians Hold Enough Lithium to Curb US Imports, USGS Says

First Quantum Minerals Boosts FY Copper Production Forecast

Huayou to Cut Indonesia Nickel Output as Sulfur Prices Bite

Southern Copper 1Q Net Income Matches Estimates

PRECIOUS METALS:

Gold Steady After Two-Day Drop as Iran War Fans Inflation Fears

ETFs Sell Gold, Platinum, Palladium, Buy Silver

Central Banks 'Scoop Up a Load' of Gold in Bumpy First Quarter

Barnard Resigns as CEO of Zimbabwe's Mutapa Gold Resources

IRON ORE/BULKS:

Vale Lags Expectations as Cost Pressures Offset Price Gain

Gerdau Calls For Brazil to Move Again on Steel Dumping Measures

Axis Bank, HCL Tech, JSW Steel, Tata Steel: Vol Dispersion

BATTERY METALS:

Xi Has \$1.2 Trillion Rare Earths Leverage Ahead of Trump Visit

Appalachians Hold Enough Lithium to Curb US Imports, USGS Says

IGO Says Johan Van Vuuren Resigns as Chief Financial Officer

LME TRADER COMMITMENTS:

Speculators Boost Net Bullish LME Zinc Bets to 5-Week High

Speculators Cut Net Bullish LME Copper Bets

Speculators Boost Net Bullish LME Aluminum Bets to 11-Week High

14:45: (Canada) April Bank of Canada Rate Decision, est. 2.25%, prior 2.25%

19:00: (US) April FOMC Rate Decision (Upper Bound), est. 3.75%, prior 3.75%

19:00: (US) April FOMC Rate Decision (Lower Bound), est. 3.50%, prior 3.50%

# Copper Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	13,126	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- The RSI is below 50 (44)
- Stochastic is oversold
- Price is above the daily pivot point USD 13,077
- Technical Outlook Previously: Sell side pressure is increasing.
- Price was trading below but had not closed below the USD 13,193 level yesterday; however, we noted that the failed swing high is our first warning that sell side pressure was on the increase. We also noted that the RSI had failed to hold above its moving average, this warned of momentum weakness. A daily close below USD 13,193, or a breach in the USD 13,139 fractal low will further support technical weakness. With price moving lower on the negative divergence, we maintained a cautious approach on upside moves at that point.
- The futures sold to a low of USD 12,937 before finding bid support into the close, resulting in price moving higher on the open this morning. We are below the EMA support band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 13,077 with the RSI at or above 48 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 13,295 will leave the futures vulnerable to further tests to the downside; conversely, downside moves that hold at or above USD 12,309 will support a longer-term bull argument.
- Technical Outlook: Neutral
- The futures have produced a three wave pattern lower warning resistance could come under pressure in the near-term. However, it is unclear at this point if the 3-wave is part of a larger correction, or a completion of A, B, C. This brings the USD 13,295 level into focus, upside moves that fail at or below it would suggest a larger correction is in play; conversely, a breach of the USD 13,295 level will reduce the probability of price trading to a new low.

# Aluminium Morning Technical (4-hour)



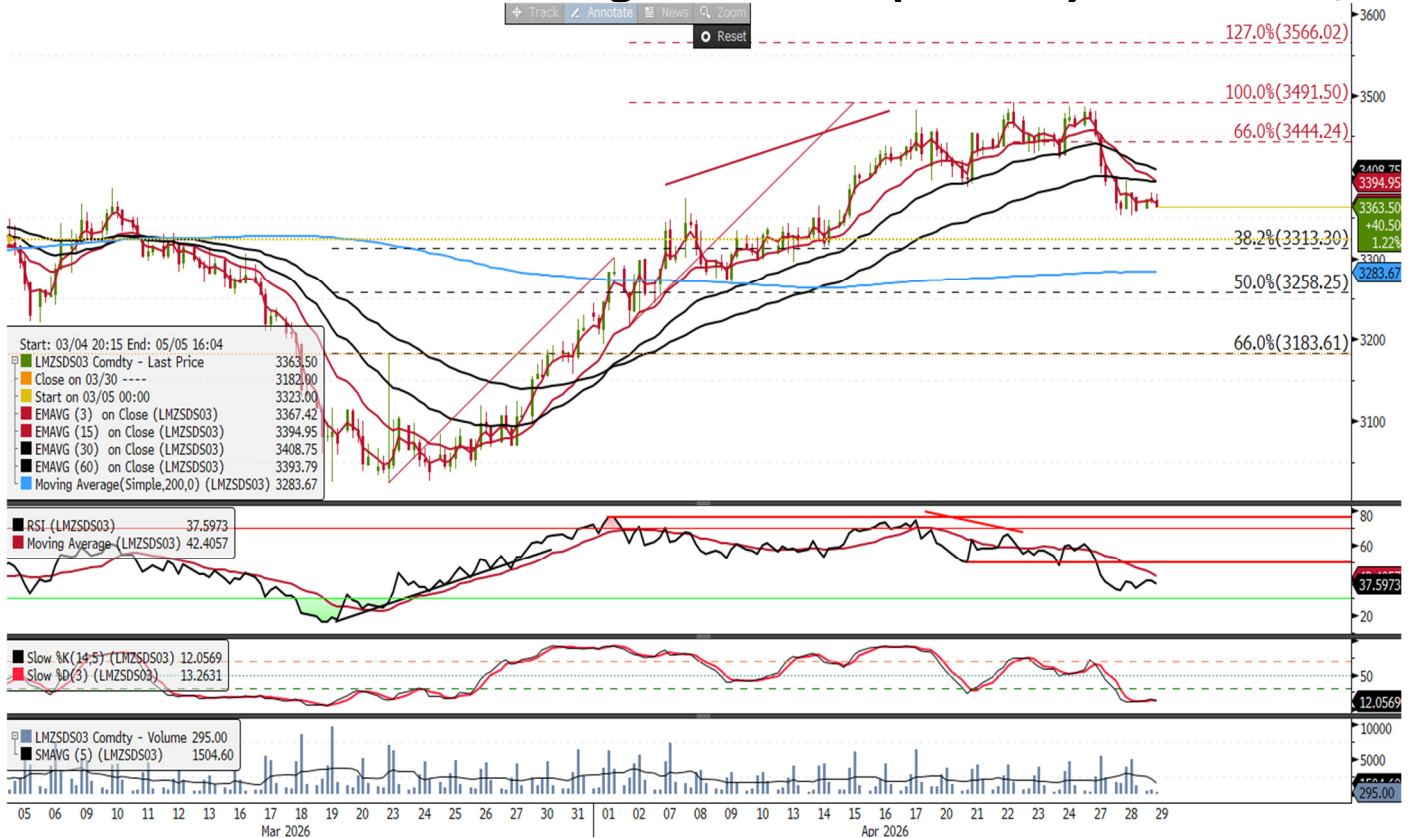
	Support	Resistance	Current Price	Bull	Bear
S1	3,459	R1	3,562	Stochastic oversold	RSI below 50
S2	3,439	R2	3,621		
S3	3,393	R3	3,672		

**Synopsis - Intraday**

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (43)
- Stochastic is oversold
- Price is below the daily pivot point USD 3,562
- Technical outlook Previously: Momentum weakness
- We noted yesterday that although price had not closed below the USD 3,550 level, we had formed a second dominant bull candle on the 27/04, this had a low of USD 3,592.5. The close below this candle warned that we had seen an increase in sell side pressure, while a 4-hour close below USD 3,550 would further reinforce a weakening technical. The RSI had rejected the 60 level with the RSI moving average moving lower; the momentum weakness meant that we were cautious on upside moves, as support levels are vulnerable.
- The futures traded to a low of USD 3,514 before finding light bid support into the close, this has been followed by further light bid support on the open. We remain below 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 3,562 with the RSI at or above 48.5 would mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 3,304 would warn that there could be a larger, bullish wave cycle coming into play.
- Technical outlook: Caution on upside moves
- The futures continue to sell lower on multi-timeframe divergences. Both price and momentum made new lows yesterday, meaning we have bearish momentum confirmation, suggesting caution on upside moves at this point. We highlight USD 3,629.5 as an area of interest, as it is an intraday double top. Upside moves that close and hold above this level would suggest the corrective move has completed, leaving scope for higher pricing.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,313	R1	3,370	3,363.5	Stochastic oversold
S2	3,283	R2	3,444		
S3	3,258	R3	3,491		
					RSI below 50

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (37)
- Stochastic is at oversold
- Price is below the daily pivot point USD 3,370
- Technical outlook Previously: Increase in sell side pressure.
- We noted yesterday that having failed to make a new high due to the negative divergence with the RSI, the positive reversal pattern had failed, signaling an increase in sell side pressure. The RSI moving average implied momentum weakness, while the move below the USD 3,387.5 fractal support meant the intraday technical was bearish based on price. However, our Elliott wave analysis did suggest that downside moves should be considered as countertrend, making USD 3,183 the key support to follow; if breached, then the probability of further bullish impulse moves would begin to decrease.
- Sideways action yesterday. We remain below 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 3,370 with the RSI at or above 44.5 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 3,183 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook. Consolidating
- The intraday technical is bearish due to the lower high and lower low; however, the broader trend is considered as bullish, making USD 3,183 the key support to follow. Upside moves that fail at or below USD 3,444 will warn of further downside within the corrective phase; conversely, if the USD 3,444 level is breached, then the probability of the futures trading to a new low will begin to decrease. We highlight the technical outlook as consolidating today, and note the volume build in the last two sessions. We could be looking at a bearish pennant/flag; meaning a downside break from here would have the potential to be sharp. Equally, price could be finding a base before an intraday move higher. Let the market lead, as intraday price is lacking clarity.