



# Base Morning Technical Report

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(Bloomberg) -- Copper and other base metals including zinc maintained gains, shrugging off the declines of earlier in the week, as China's Labor Day holiday kept market activity subdued.

Metal fabricators restocked before the start of the country's week-long holiday, which kept prices of key commodities buoyant. Markets were also closed in a number of other nations, including trading hub Singapore, for Labor Day. Copper prices remained over \$13,000 a ton on the London Metals Exchange on Friday, while nickel dipped.

Economic data overnight from the US showed gross domestic product expanded at a 2% annual rate over the first quarter, placing a floor under copper. Its release came as US President Donald Trump confirmed he would stick with a naval blockage of Iranian ports, casting a shadow over the reopening of the Strait of Hormuz.

Iron ore futures, meanwhile, remained steady at \$107.20 a ton. It's a one-month high, driven by rising costs due to the conflict in the Middle East, which has effectively established a floor.

However, iron ore broadly remains under pressure as China's property crisis continues and demand softens in construction. Additional supply is also expected to dampen fundamentals as miners in Guinea begin to ramp up shipments over the coming months.

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	12,937	R1	13,028		RSI below 50
S2	12,803	R2			
S3	12,780	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- The RSI is below 50 (44)
- Stochastic is below 50
- Price is above the daily pivot point USD 13,037
- Technical Outlook Previously: Weak momentum
- The upside move previously stalled after the RSI rejected its moving average. This resulted in price selling lower; however, we remained above the USD 12,937.5 fractal low from the 28/04. We noted that a new low had the potential to create a positive divergence with the RSI, warning sell side momentum could slow. More importantly, a new low would mean the initial move lower consisted of 5-waves, not 3-waves; meaning that upside moves will be considered as countertrend, as a 5-wave move lower would imply it was still the first leg within a 3-wave correction.
- The futures are consolidating with price remaining above the USD 12,937.5 fractal low. We are below the EMA support band with the RSI below 50, intraday price and momentum are aligned to the buyside, as the previous candle closed above the daily pivot level.
- A close on the 4-hour candle below USD 13,036 with the RSI at or above 44 will mean price and momentum are aligned to the buyside. 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 momentum—consolidation
- We currently have a 3-wave pattern lower. If we trade below USD 12,937.5, then it become 5-waves, at this point upside moves will be considered as countertrend. Conversely, upside rejections at or below USD 13,295 will imply a more complex correction, warning support levels will be vulnerable. Above USD 13,295, the probability of price trading to a new low will begin to decrease. Momentum is neutral, price is consolidating, we are currently neutral.

# Aluminium Morning Technical (4-hour)



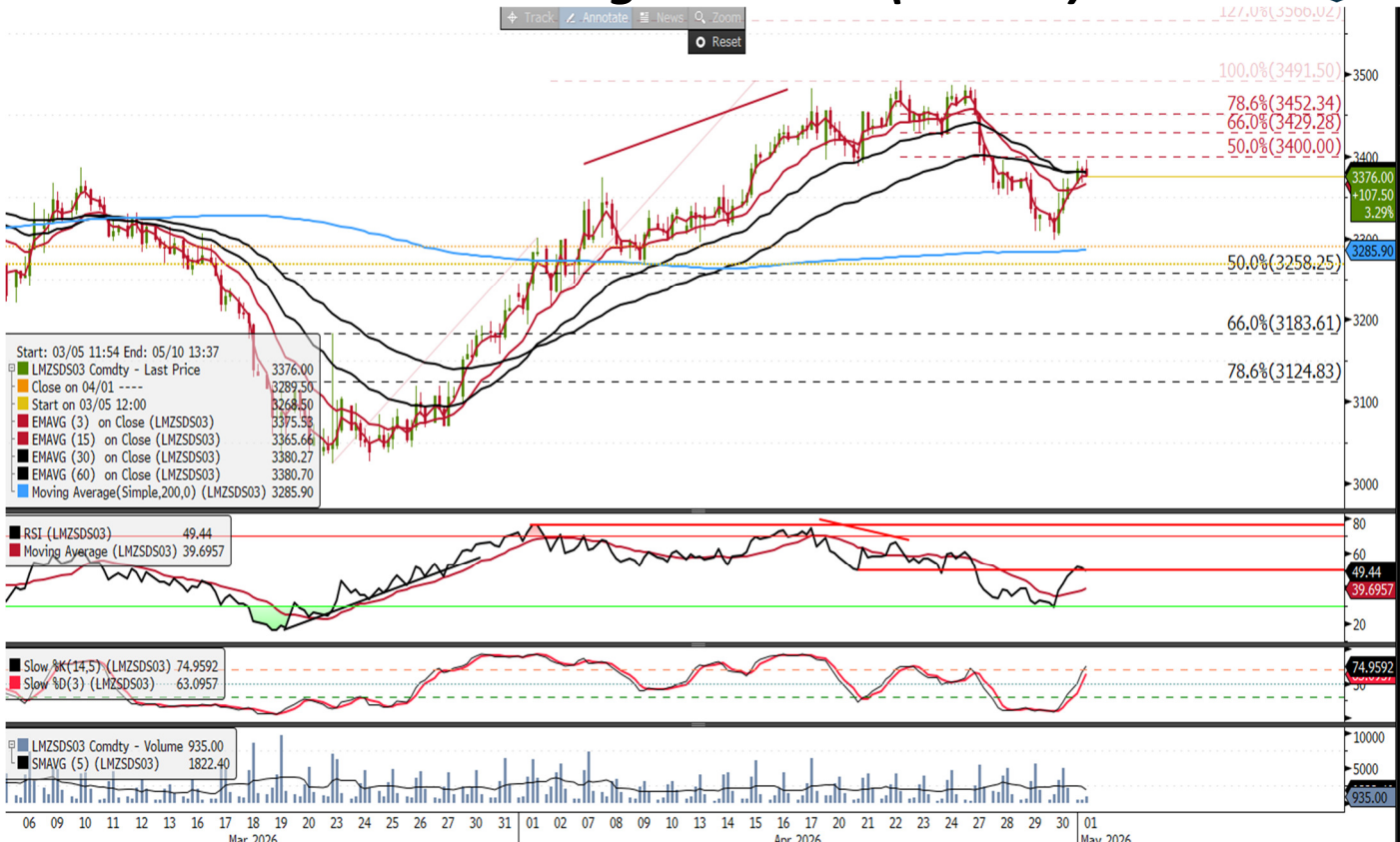
	Support	Resistance	Current Price	Bull	Bear
S1	3,477	R1	3,514	Stochastic oversold	RSI below 50
S2	3,459	R2			
S3	3,450	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (46)
- Stochastic is oversold
- Price is above the daily pivot point USD 3,477
- Technical outlook Previously: USD 3,435 fractal low is vulnerable
- The RSI moving averages implied that that momentum remained weak yesterday, suggesting the intraday 200-period MA at USD 3,444 and the USD 3,435 fractal low could be tested and broken in the near-term. However, the RSI at 29 was entering oversold territory, while the slow stochastic was divergent with price. This would suggest that downside breakouts could struggle to hold below the 200-period MA. We maintain a cautious approach to upside moves, unless we see a close and hold above the intraday double top at USD 3,629.5 highlighted previously.
- The futures have sold down to but held the intraday 200-period MA at USD 3,450. We are below the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 3,477 with the RSI at or below 43.5 would mean price and momentum are aligned to the sell side. 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 have held the intraday 200-period MA, supported by the RSI breaking near-term resistance. Longer-term RSI resistance remains in place, while the RSI is making a new high (above black line marked); however, price has not replicated the RSI high, meaning we have a bearish reversal pattern in play, suggesting support levels remain vulnerable at this point.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,344	R1	3,376		RSI below 50
S2	3,285	R2			
S3	3,258	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (49)
- Stochastic is above 50
- Price is above the daily pivot point USD 3,344
- Technical outlook Previously: Caution warranted on lower moves.
- The break to the downside yesterday had brought the intraday 200-period MA at USD 3,283 into focus, this was supported by the RSI moving average, as it highlighted that momentum was weak. Countering this, the 1-hour RSI was divergent, while the 4-hour RSI was below 50, warning sell side momentum could slow down. For this reason, we were cautious on downside moves at those levels. We identified USD 3,429 as the key resistance to follow, upside moves above this level would reduce the probability of new lows being achieved.
- The futures have moved higher on the positive divergence with the RSI. We are below the EMA support band with the RSI near-neutral at 49, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 3,344 with the RSI at or below 37.5 will mean price and momentum are aligned to the sell 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. Caution on downside moves
- Ther upside move in the futures is replicated by the RSI, meaning we have bullish momentum confirmation, implying downside moves could struggle to hold. We continue identify USD 3,429 as the key resistance to follow; rejections at or below this level would suggest that there could be a more complex corrective phase coming into play.