



Base Morning Technical Report

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Metals

(Bloomberg) -- Copper climbed and aluminum was on track for its highest close in four years on cautious optimism that the US and Iran could reach a peace deal, despite a fresh flare-up of hostilities in the Persian Gulf.

US President Donald Trump said negotiations with Tehran to extend a ceasefire and reopen the Strait of Hormuz were proceeding, although Secretary of State Marco Rubio said a deal could still take days to materialize. The truce has held since early April, even after a series of attacks on ships and infrastructure.

Metals have powered higher in the past two weeks as the two sides edge toward a deal, easing some concerns about a prolonged hit to global growth that would crimp metals demand from manufacturers. Copper has also benefited from enthusiasm for assets linked to the artificial intelligence infrastructure.

Copper on the London Metal Exchange was up 0.6% at \$13,702 a ton by 10:17 a.m. in Shanghai, while aluminum rose 0.5% to \$3,689.50 a ton. Iron ore futures on the Singapore Exchange were little changed at \$105.10 a ton.

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	13,645	R1	13,773	RSI above 50	Stochastic overbought
S2	13,565	R2	13,908		
S3	13,350	R3	14,015		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI is at 50 (54)
- Stochastic is overbought
- Price is above the daily pivot point USD 13,645
- Technical Outlook Previously: momentum warning
- We noted yesterday that the futures had traded above the high of the intraday rejection candle highlighted last week, we also noted that the RSI was making new highs alongside price, implying momentum support. However, the RSI was in the process of breaking trend support, meaning we were seeing early signs of momentum weakness, warning the trend support line at USD 13,629 could be tested and broken. A close and hold below USD 13,629 would indicate sell side pressure was on the increase, leaving price vulnerable to an intraday move lower. As highlighted previously, our Elliott wave analysis suggests throwbacks should be considered as countertrend, providing we hold above the USD 13,261 support.
- The futures sold to a low of USD 13,601 before seeing a small gap higher on the open. Price closed above but is now trading back below the trend support line at USD 13,704. We are above the EMA support band with the RSI above 50, intraday price and momentum, are aligned to the buyside.
- A close on the 4-hour candle below USD 13,645 with the RSI at or below 51 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 13,261 will support a bull argument, below this level will the technical will have a neutral bias.
- Technical Outlook: Neutral
- This corrective phase is still lacking clarity. The upside move is struggling to hold above the trend line while the RSI remains below its trend resistance line. If price and momentum become aligned to the sell side, then support will start to become vulnerable. Conversely, if the USD 13,908 resistance is breached, then the probability of a new low being achieved will start to decrease, increasing the probability that the futures have entered a higher timeframe bullish impulse move.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,668	R1	3,674	RSI above 50	
S2	3,665	R2			
S3	3,641	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (60)
- Stochastic is overbought
- Price is above the daily pivot point USD 3,668
- Technical outlook Previously: resistance vulnerable
- The upside move above the USD 3,684 high on the open yesterday signaled price had entered a lower timeframe Elliott wave 5. The new high had created a minor negative divergence; not a sell signal it warned that we could see a momentum slowdown, which would need to be monitored. However, Fibonacci projection levels implied that the USD 3,690 and USD 3,714 resistance levels could be vulnerable in the very near-term.
- The futures traded to a high of USD 3,707.5 with price remaining supported. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside, as the RSI was above its average on the previous candles close.
- A close on the 4-hour candle below USD 3,668 with the RSI at or below 58.5 would mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 3,593 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Cautious bull
- Based on Fibonacci projection levels that futures have a potential upside target at USD 3,714; however, we are in divergence based on the RSI high from the 13/05/26. For this reason, the technical warrants caution on higher moves. Market longs should be cautious on a close and hold below the trend support line at USD 3,665, as it will signal an increase in sell side pressure, while a move below USD 3,593 will reduce the probability of price trading to a new high. .

Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	3,533.5	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA support band (Black EMA's)
- RSI is below 50 (47)
- Stochastic is at 50
- Price is below the daily pivot point USD 3,549
- Technical outlook Previously: Downside moves considered as countertrend
- The breach in the USD 3,585 resistance yesterday indicated that we were seeing an increase in buy-side pressure, warning that the USD 3,633.5 fractal high was becoming vulnerable. Price and the RSI were making new highs meaning we had bullish momentum confirmation, while our Elliott wave analysis suggested downside moves should be considered as countertrend at that point.
- Having traded to a high of USD 3,598 the futures have entered a corrective phase. We are between 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 3,549 with the RSI at or above 55.5 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 3,411 will support a near-term bull argument, below this level the technical will have a neutral bias.
- Technical outlook. Downside moves considered as countertrend
- From an Elliott wave perspective the broader trend remains bullish with downside moves considered as countertrend, providing we hold above the USD 3,411 support. The upside breach in the USD 3,585 resistance previously had momentum support; however, the correction into the close yesterday has seen the RSI drop below the 50 level, we currently have negative velocity and negative acceleration, implying momentum weakness. We also note that the nearest intraday fractal at USD 3,531.5 has been breached, warning of a weakening in price. Buy-side momentum has stalled; the USD 3,585 resistance has been breached, but the structural move looks less like a motive wave due to the fractal break, warning we could still be in a corrective phase at this point.