



Base Morning Technical Report

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

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(Bloomberg) -- Copper jumped to a two-week high on speculation that the US and Iran are nearing a diplomatic resolution to the Middle East conflict that has shaken global markets.

The red metal settled 1.3% higher Thursday on the London Metal Exchange, the highest since May 14. Comex copper also advanced to the highest in two weeks. Iran and the US reached a tentative deal to extend a ceasefire and work toward an agreement to end the war, a US source familiar with the matter said. US stocks rose toward all-time highs while a rally in oil waned.

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	13,652	R1	13,671.5	RSI above 50		
S2	13,464	R2				13,908
S3	13,427	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 above 50
- Price is above the daily pivot point USD 13,652
- Technical Outlook Previously: Neutral
- We noted previously that the corrective phase was still lacking clarity. The upside move was struggling to hold above the trend line while the RSI remained below its trend resistance line. If price and momentum became aligned to the sell side, then support would start to become vulnerable. Conversely, if the USD 13,908 resistance was breached, then the probability of a new low being achieved would start to decrease, increasing the probability that the futures have entered a higher timeframe bullish impulse move.
- The futures sold to a low of USD 13,464 before seeing bid support. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 13,652 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: Cautious on upside moves.
- The downside move in the futures has held above a longer-term intraday trend support that has been in play since the 23/03. We also note that the RSI and price have both made new highs, implying momentum support, while the longer-term Elliott wave cycle remains bullish. However, from the low on the 20/05 the upside price action does not look bullish impulse, this is due to the strong wave overlaps, suggesting caution on higher moves in the near-term. If we trade above the USD 13,908 resistance it will imply buyside momentum is increasing, as the probability of the futures trading to a new low will begin to decrease.

Aluminium Morning Technical (4-hour)



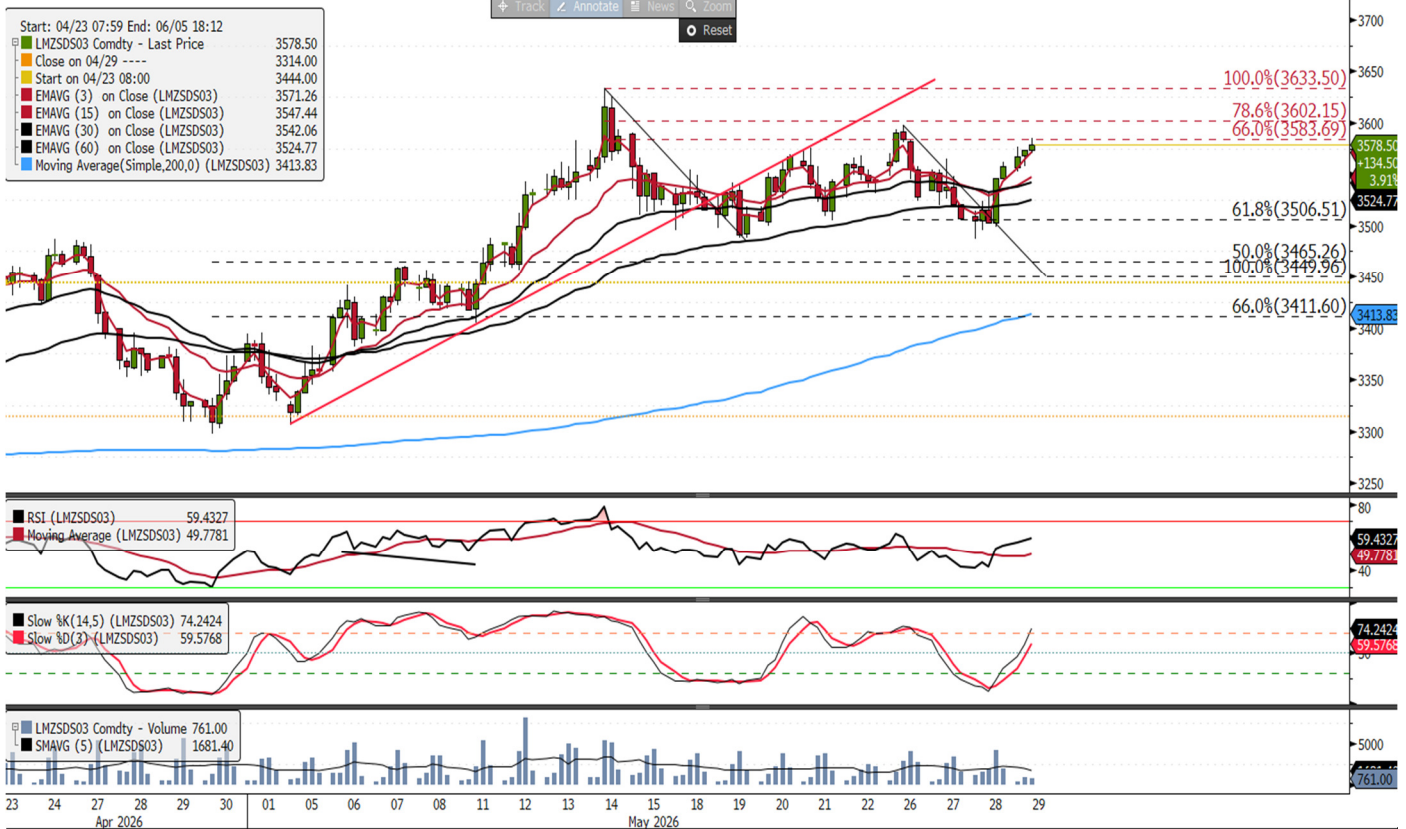
	Support	Resistance	Current Price	Bull	Bear
S1	3,607.5	R1	3,673	RSI above 50	
S2	3,593	R2	3,686		
S3	3,571	R3	3,697		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (53)
- Stochastic is above 50
- Price is on the daily pivot point USD 3,657
- Technical outlook Previously: Cautious bull
- Based on Fibonacci projection levels previously we noted that futures had a potential upside target at USD 3,714; however, we were in divergence based on the RSI high from the 13/05/26. For this reason, the technical warranted 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 would signal an increase in sell side pressure, while a move below USD 3,593 would reduce the probability of price trading to a new high.
- The futures sold to a low of USD 3,607.5 before seeing bid support. 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 3,657 with the RSI at or below 50 would mean price and momentum are aligned to the sell side. Likewise, a close above this level with the RSI at or above 54.5 will mean it is aligned to the buyside. 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: Caution on upside moves
- The futures have traded above the USD 3,673 resistance, supporting a buyers argument; however, we put more weight on the trend resistance at USD 3.697. The upside move is below trend resistance, while we have an intraday bearish Harami pattern in play. We have not seen downside follow through from the pattern, but it is a warning that buyside momentum is slowing while failing to break resistance, meaning the technical continues to warrant caution on higher moves.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,535	R1	3,583	RSI above 50	
S2	3,506	R2	3,602		
S3	3,465	R3	3,633.5		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (58)
- Stochastic is above 50
- Price is above the daily pivot point USD 3,535
- Technical outlook Previously: Downside moves considered as countertrend
- We noted previously that from an Elliott wave perspective the broader trend remains bullish with downside moves considered as countertrend, providing we held 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 had seen the RSI drop below the 50 level, we had negative velocity and negative acceleration, implying momentum weakness. We also noted that the nearest intraday fractal at USD 3,531.5 had been breached, warning of a weakening in price. Buyside momentum had stalled; the USD 3,585 resistance has been breached, but the structural move look less like a motive wave due to the fractal break, warning we could still be in a corrective phase at that point.
- The futures traded to a new low before finding buyside support. We noted in the Mid-Day report that we had a 3-wave pattern lower; if price held the USD 3,506 support, then resistance would become vulnerable. 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 3,535 with the RSI at or below 47.5 will mean price and momentum are aligned to the sell 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. Buyside pressure increasing.
- A 3-wave pattern lower has been followed by price breaching the USD 3,583 resistance (note: this is lower by USD 2.00 due to the new low at USD 3,487), meaning that the probability of the futures trading to a new low will have started to decrease. The upside breach means we are currently cautious on downside moves.