



Base Morning Technical Report

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Metals

(Bloomberg) -- Copper edged up to recoup some of last week's losses as buying activity in China and flows of metal to the US supported the demand outlook.

The red metal fell nearly 3% on the London Metal Exchange on Friday, the most since mid-March. That was after US jobs growth topped all forecasts, fueling bets that the Federal Reserve will likely raise interest rates this year. Tighter monetary conditions would eventually slow economic activity and reduce consumption of raw materials such as copper and aluminum.

While the expectation of the US interest-rate hike will curb a rally in base metals, steady demand will cap downsides for copper, said Gao Yin, an analyst with Shuohe Asset Management Co.

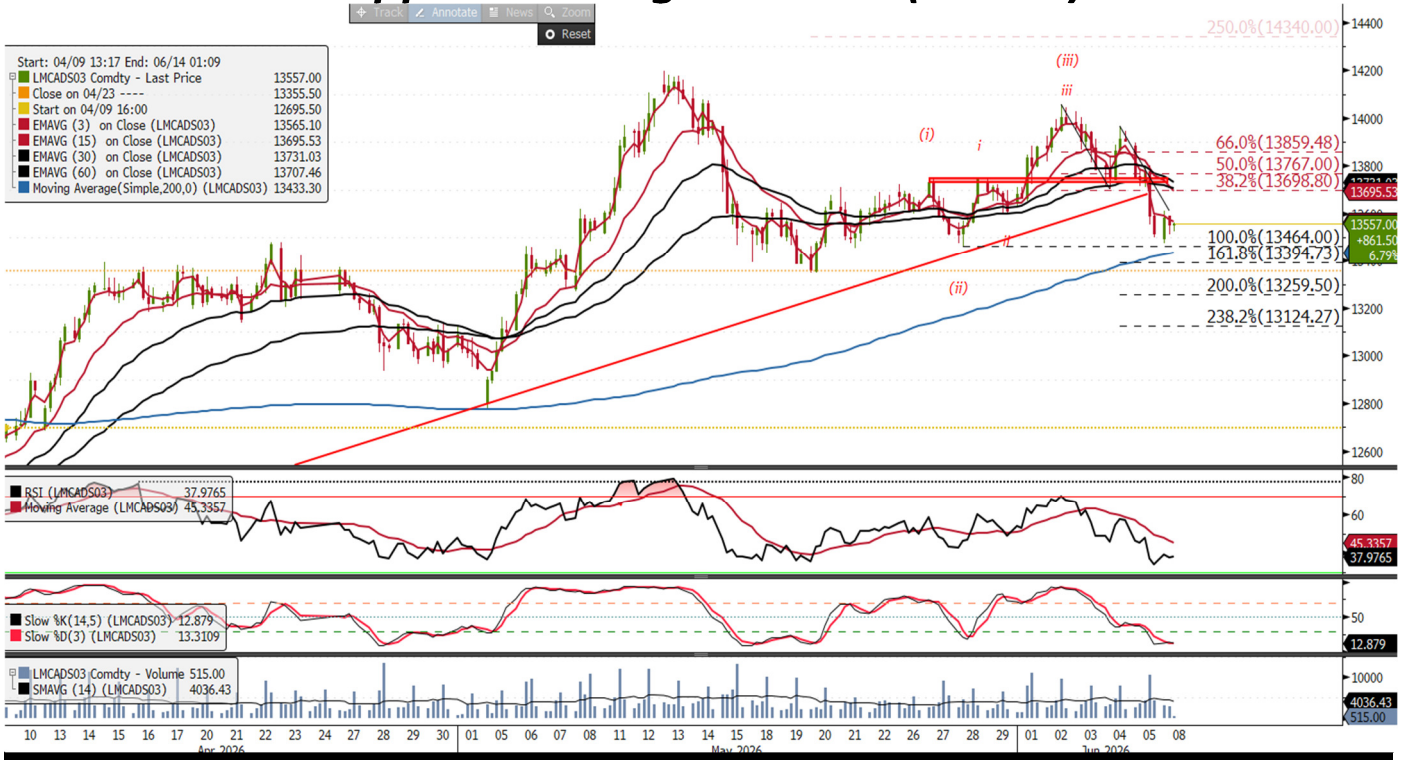
Copper trading has been throttled as energy costs and inflation climb due to the Middle East war. Meanwhile, the June deadline for the Trump administration to make a fresh determination on launching US import tariffs has revived flows of metal to the country, draining supplies elsewhere.

[Read More: Trump Tweaks Copper Tariff Rules Ahead of Refined Metal Review](#)

Inventories in warehouses monitored by the Shanghai Futures Exchange fell to 169,512 tons as of Friday, the lowest level this year, indicating that buying remains supportive in China on demand for electrification. Copper is widely used in wires and electrical equipment.

Copper rose 0.5% to \$13,581 a ton on the LME as of 11:08 a.m. in Shanghai. Other base metals were mixed, with tin down 1.6% to \$52,085 a ton and aluminum up 0.4% to \$3,607 a ton.

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	13,464	R1	13,638	Stochastic oversold	RSI below 50
S2	13,394	R2	13,698		
S3	13,259	R3	14,767		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- The RSI is below 50 (43)
- Stochastic is oversold
- Price is below the daily pivot point USD 13,638
- Technical Outlook Previously: Inflection point
- The move higher previously resulted in polarity support forming, while the move above USD 13,935 resistance implied that the probability of the futures trading to a new low had started to decrease. However, the RSI failed to break its MA resistance, meaning price and momentum failed to become aligned to the buyside. Sell-side pressure on the open meant that the polarity support was being tested. This was not a defined level (as illustrated on the chart); however, we noted that if we started seeing candles close below USD 13,750 and the trend support at USD 13,669 it will warn that the bullish Elliott wave cycle could fail.
- The futures closed below the polarity support, resulting in price selling lower. We are 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 13,638 with the RSI at or above 47.5 will mean price and momentum are aligned to the buyside. Upside moves that hold at or above the USD 13,859 level will leave the futures vulnerable to further tests to the downside.
- Technical Outlook: Caution on upside moves
- The break to the downside means that either the bullish impulse wave cycle has failed, or the upside move was part of a larger corrective cycle. The corrective move lower means that our analysis is back where we were on the 01/05/26, with the wave structure looking corrective rather than bull impulse. We have left the wave count on the chart to illustrate how the wave overlap looked to be part of a wave extension that was forming (this was then supported by a change in polarity); however, we can now see that it looks to be a double 3-wave higher that broke key resistance. The RSI moving average implies that momentum is weak, while the bearish RSI momentum confirmation suggests that upside moves now look like they could be countertrend, implying support levels continue to be vulnerable.

Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	3,596	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (31)
- Stochastic is oversold
- Price is below the daily pivot point USD 3,618
- Technical outlook Previously: neutral
- We noted on Friday that the depth of the pullback previously meant that the probability of price trading to a new high had started to decrease, suggesting the bullish Elliott wave cycle had a greater chance of failing. With the positive reversal pattern failing we were seeing bearish momentum confirmation, as both price and the RSI have made new lows; countering this, if we moved down a timeframe to the 1-hour chart we are seeing a positive divergence with the RSI. This was condition, not a buy signal, but it does mean that we had a note of caution on downside moves at that point. Market sellers should be cautious if price and momentum become aligned to the buyside, as it would warn that the Fibonacci resistance zone could be tested.
- The futures traded to new lows on the payrolls on Friday; however, price is finding light bid support on the open, as the 1-hour divergence is still in play. We are 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 3,618 with the RSI at or above 40 would mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 3,719 will leave the futures vulnerable to further tests to the downside, above this level the technical will re-enter bullish territory.
- Technical outlook: Inflection point
- The downside moves below fractal support means intraday price is bearish. However, the broader weekly trend is bullish, while price is holding the intraday 200-period MA at USD 3,590, meaning we are at an inflection point. A close and hold below the 200-MA will leave price vulnerable to further tests to the downside; conversely, we are cautious on downside moves in the near-term while holding above the longer-term intraday MA.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,477	R1	3,519	Stochastic oversold	RSI below 50
S2	3,420	R2			
S3	3,374	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (36)
- Stochastic is oversold
- Price is below the daily pivot point USD 3,551
- Technical outlook Previously: Downside moves considered as countertrend
- We noted on Friday that Price had come under pressure in the Asian day session; however, the move lower had been on low volume. Intraday Elliott wave analysis continued to suggest that downside moves should be considered as countertrend while price was above the USD 3,542 support. Below USD 3,542 the probability of price trading to a new high will begin to decrease. Like AI, the 1-hour RSI is in divergence suggesting caution on lower moves at that point.
- Price continued to come under pressure with futures trading to new lows, the RSI is below 50 while price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 3,551 with the RSI at or above 47 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 3,420 will support a longer-term bull argument, below this level the higher timeframe Elliott wave cycle will have a neutral bias.
- Technical outlook. Bearish momentum confirmation
- Both price and the RSI have made new lows, signaling bearish momentum confirmation, warning upside moves have the potential to be countertrend while below the USD 3,608 resistance. Above USD 3,608 the probability of price trading to a new low will start to decrease. The Move below USD 3,542 suggests we have entered a high timeframe corrective phase; the broader trend is bullish, but corrective, with key longer-term support at USD 3,420.