



Base Morning Technical Report

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Cu

(Bloomberg) -- Copper advanced for a fourth day as the US and Iran edged toward an interim accord to end a war that's roiled metals markets since it began more than three months ago.

The two sides are set to formally sign their pact at a ceremony in Switzerland this Friday, with details of the agreement still emerging. While there's skepticism over how quickly the Strait of Hormuz can reopen, oil futures are holding near a three-month low, easing a major threat to global growth.

For copper, an end to the conflict in the Middle East means investors can pay closer attention to some of the more bullish drivers. Citigroup Inc. said earlier this week that copper had entered a "structurally higher price regime" — and could reach \$15,000 a ton within 12 months — as demand from artificial intelligence and clean energy stretches global supplies.

But for the short-term, the most consequential event is an end-of-month deadline for the White House to decide whether to give the go-ahead for import tariffs on refined copper. Investors and traders are positioning for that decision, with futures in New York expanding a premium over prices on the London Metal Exchange.

"As the Comex-LME arbitrage became more attractive, Comex copper inventory has increased to 650,000 tons, the highest level on record," analysts from Natixis SA including Bernard Dahdah wrote in an emailed note. "This has meant that although the US is well supplied with copper, the market in the rest of the world is tight."

Copper in London rose as much as 0.5% to \$13,838 a ton and traded at \$13,813.50 by 11:45 a.m. Shanghai time. Aluminum also advanced, while other metals were mixed.

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	13,744	R1	13,818.5	RSI above 50	Stochastic overbought	
S2	13,701	R2				14,040
S3	13,629	R3				14,056

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- The RSI is above 50 (58)
- Stochastic is overbought
- Price is below the daily pivot point USD 13,744
- Technical Outlook Previously: Neutral
- We noted yesterday that in theory, the gap higher and breach in key resistance signaled an increase in buy-side pressure. However, having broken resistance price sold lower for the remainder of the session, before closing near its lows. The rejection candle was not classified as a shooting star; however, it did have an upside wick and a lower close, meaning it had the characteristic of a shooting star. For this reason, we remain cautious on upside moves until we saw a daily close above USD 13,893.5.
- The futures sold to a low of USD 13,640.5; however, the downside moves has held above the weekly pivot level at USD 13,629, resulting in the daily chart producing a Doji, signaling indecision. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buy-side.
- A close on the 4-hour candle below USD 13,744 with the RSI at or below 55 would mean price and momentum are aligned to the sell side. Downside moves that hold at or above 13,562 will support a near-term bull argument, below this level the technical will re-enter bearish territory.
- Technical Outlook: Neutral
- The daily rejection candle has been countertrend by a Doji with a downside wick, meaning the two candles are offsetting each other, meaning we maintain a neutral bias. Support is at USD 13,640.5 with resistance at USD 13,893.5, a close outside of the range on the daily timeframe should indicate near-term directional bias.

Aluminium Morning Technical (4-hour)



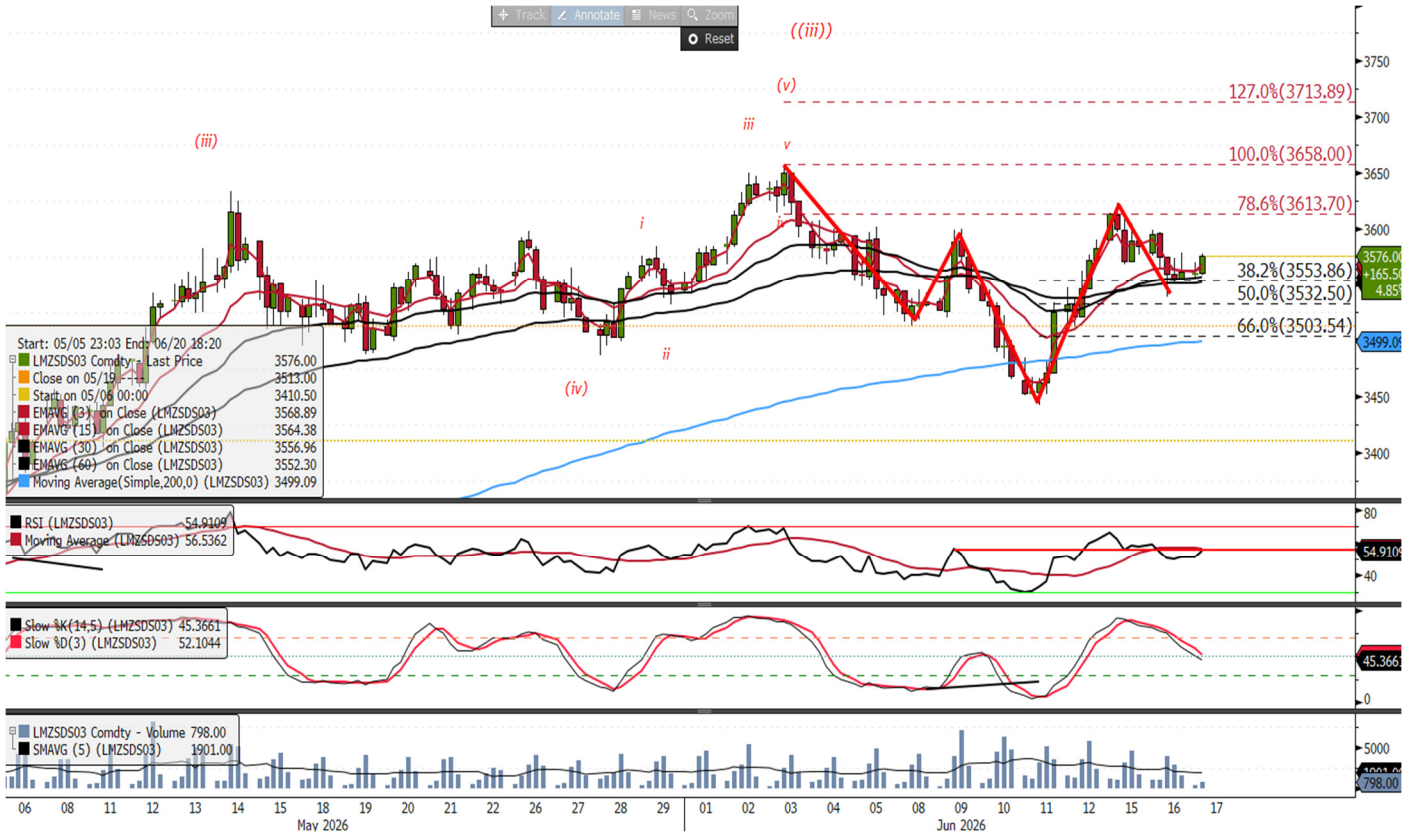
	Support	Resistance	Current Price	Bull	Bear
S1	3,374	R1	3,420	Stochastic oversold	RSI below 50
S2	3,303	R2	3,483		
S3	3,233	R3	3,560		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (39)
- Stochastic is oversold
- Price is above the daily pivot point USD 3,374
- Technical outlook Previously: Caution on downside moves in near-term
- The move to a new low yesterday meant that the 1-hour RSI was divergent with price; not a buy signal, it warned that sell side momentum could slow, the divergence needed to be monitored. We noted that a 4-hour close back above the USD 3,358 level (this is the 61.8% downside Fibonacci projection) would suggest that sell side price action could be starting to exhaust, due to the lower timeframe divergence. Conversely, if price hold below the USD 3,358 level it would imply that the USD 3,145 fib support could be tested, as this is the 100% projection level. We identified USD 3,633 as the key longer-term resistance on this technical, as failure to trade above it would indicate a larger bearish corrective phase was in play. Based on the shape of the corrective move, it did look like we could be looking at a larger bearish corrective cycle.
- The futures have seen light bid support on the positive RSI divergence. We are remain below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 3,374 with the RSI at or below 31.5 would mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 3,483 will leave the futures vulnerable to further tests to the downside, above this level the probability of the futures trading to a new low within this phase of the cycle will begin to decrease.
- Technical outlook: caution on upside moves
- The futures found light bid support on increased volume yesterday due to the RSI divergence highlighted previously, this resulted in price closing above the USD 3,358 level, suggesting near-term price action is beginning to exhaust. Key longer-term resistance on the technical is at USD 3,633, upside moves that fail at or below this level will signal that there is a larger, bearish corrective phase in play. Upside moves with volume support today would warn that resistance levels are becoming vulnerable. Our Elliott wave analysis suggests that upside moves should be considered as counter-trend; however, we are lacking a little clarity on whether we have entered wave B, or remain in wave A, hopefully, the strength of the pullback will help us identify which wave we are on.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,553	R1 3,613	3,576	RSI above 50	
S2	3,503	R2 3,658			
S3	3,442	R3 3,713			

Synopsis - Intraday

Source Bloomberg

- Price is on the EMA support band (Black EMA's)
- RSI is above 50 (55)
- Stochastic is above 50
- Price is above the daily pivot point USD 3,569
- Technical outlook Previously: Sell side pressure increasing.
- Bid support on the open previously had failed to hold, resulting in a Doji candle forming on the daily timeframe, this candle represented indecision due to the open and close being near identical. Downside pressure on the open yesterday meant that we were trading below the low of the daily Doji at USD 3,568; if we closed below this level it will confirm that we are seeing an increase in sell side pressure, warning the intraday 200-period MA at USD 3,496 could come back under pressure.
- The futures failed to close below the USD 3,568 level yesterday, meaning we did not get confirmation that sell side pressure was increasing. Bid support on the open means that price is holding above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the sell side, as the previous candle closed below the daily pivot level.
- A close on the 4-hour candle above USD 3,569 with the RSI at or above 59 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: Neutral—Inverse head and shoulders pattern?
- The downside moves yesterday held at the weekly pivot point (USD 3,542), resulting in price failing to close below the daily Doji highlighted previously. We have the potential pattern to form an inverse head and shoulders, it is very important to note that confirmation comes from a daily close above USD 3,623. Saying that, the buy side support that entered the market yesterday could attract the attention of market bulls, as a risk stop below USD 3,539 would produce an attractive risk reward if the pattern comes into play. Although we have highlighted the pattern, I would like to see volume support on bull candles, as this would give it more conviction. Technically we are neutral, but that inverse H&S pattern could have bullish implications.