



Base Morning Technical Report

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(Bloomberg) -- Copper and industrial metals largely held Tuesday's slump as a stronger dollar and the Federal Reserve's hawkish stance weighed on the demand outlook.

Copper was slightly higher on the London Metal Exchange, after losing 2% on Tuesday as a bearish turn in equity markets weighed on sentiment. The likelihood of higher rates to counter inflation is an anchor on all risk assets, while a rising dollar compounds the impact on commodities priced in the greenback.

"Base metals trading is currently dominated by Fed monetary policy," said Gao Ying, an analyst with Shuohe Asset Management Co. "There are hardly any speculative long positions in base metals at the moment."

Copper gained 0.1% to \$13,382 a ton as of 11:25 a.m. in Shanghai. Aluminum rose by a similar amount after falling 3.9% on Tuesday to a three-month low.

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	13,392	R1	13,466	Stochastic oversold	RSI below 50
S2	13,316	R2	13,565		
S3	13,256	R3	13,628		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- The RSI is below 50 (38)
- Stochastic is oversold
- Price is below the daily pivot point USD 13,466
- Technical Outlook Previously: Caution on upside moves.
- The futures have re-entered bearish territory yesterday supported by the RSI making new lows. The bearish momentum confirmation warned that upside moves had the potential to be countertrend, while the high volume bear candle in the Asian day session warned that support levels remain vulnerable. We noted that Market sellers should act with caution on a 4-hour close above the high of the last dominant bear candle at USD 13,581, as it would suggest that intraday sentiment is turning to the buy-side.
- The futures sold to a low of USD 13,363 before finding bid support in the Asian day session. We are below all key moving averages with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 13,466 with the RSI at or above 42 would mean price and momentum are aligned to the buy-side. Upside moves that fail at or below USD 13,713 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technical Outlook: Upside moves considered as countertrend.
- The downside move has found bid support on the trend resistance line that formed in early June at USD 13,316 . Intraday Elliott wave analysis suggests that upside moves should be considered as countertrend, providing the USD 13,713 resistance is not breached; if it is, then the probability of price trading to a new low will begin to decrease. A close above the high of the last dominant bear candle at USD 13,486.5 will indicate buy-side pressure is increasing, warning the Fibonacci resistance zone could be tested.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,200	R1	3,227.5	Stochastic oversold	RSI below 50
S2	3,164	R2			
S3	3,139	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (25)
- Stochastic is oversold
- Price is above the daily pivot point USD 3,273
- Technical outlook Previously: Near-term caution on lower moves
- Technically bearish yesterday with lower timeframe Elliott wave analysis suggesting upside moves have the potential to be countertrend. However, USD 3,233.5 is the 100% Fibonacci projection level of the initial intraday 3 wave move lower (Think A-B = C-D), meaning we were cautious on lower moves while testing the support area. We did have high volume bear candle supporting our lower timeframe Elliott wave analysis; a sustained move below the USD 3,233.5 level was likely to create a bearish lower timeframe Elliott wave extension. If we do, then we could be looking at USD 3,031 as a potential downside target. We noted that there looks to be primary trend support on the daily chart around the USD 3,139 level, this would be the near-term downside target if we do see further breakdowns.
- The futures continue to trade around the USD 3,233.5 level (just below). We are below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 3,273 with the RSI at or above 35.5 would mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 3,357 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: Upside moves considered as countertrend
- Working on the basis that we could be looking at a W, X, Y correction, Fibonacci projection levels would suggest that the USD 3,200 support could be tested in the very near-term. Intraday Elliott wave analysis continue to suggest that upside moves should be considered as countertrend, providing we remain below the USD 3,357. Primary trend support on the daily timeframe is at USD 3,164, if tested, intraday market sellers should expect a reaction from higher timeframe buyers.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,511	R1	3,474	Stochastic oversold	RSI below 50
S2	3,486	R2			
S3	3,442	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (33)
- Stochastic is oversold
- Price is below the daily pivot point USD 3,525
- Technical outlook Previously: Caution on upside moves
- We noted yesterday that the failed break out had resulted in the USD 3,512 support being breached. The depth of the pullback warned that the probability of the futures achieving new highs had started to decrease, meaning we now have a cautious approach to higher moves. Price was testing the intraday 200-period MA at USD 3,511, a close and hold below the average would warn that support could come under further pressure. Conversely, failure to close and hold below the average will leave price vulnerable to a near-term intraday move higher.
- The futures continue to come under pressure with price holding below the intraday 200-period MA at USD 3,511. We are below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 3,525 with the RSI at or above 46 would mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 3,569 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technical outlook: Caution on upside moves
- Intraday Elliott wave analysis suggest that upside moves should be considered as countertrend, providing we remain below the USD 3,569 resistance. Our Analysis suggests the corrective phase looks to be a running flat, warning the USD 3,432 Fibonacci projection level could be tested. However, we highlight the rising channel on the daily timeframe that has been in play since June 2025, as trend support is at USD 3,476, indicating market sellers should have a note of caution around these levels, as it could attract higher timeframe buyers.