



# Base Morning Technical Report

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(Bloomberg) -- BHP Group filed an environmental impact study for a \$1.5 billion project to reopen its Cerro Colorado copper mine in northern Chile, aiming to extend the operation's life by another 20 years.

The proposal would restart the Tarapacá region mine, which halted in 2023 after environmental permits expired

BHP said the project would create about 1,500 construction jobs and more than 3,000 operating jobs.

A key feature of the project is a new water supply system using treated wastewater transported through a pipeline of more than 100km from Alto Hospicio, replacing the use of continental freshwater

NOTE: Cerro Colorado began operating in 1994 and is authorized to remain in temporary closure until 2028 while permitting is underway down 0.2% and zinc declining 0.8%.

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	13,145	R1	13,271		RSI below 50
S2	13,087	R2	13,350		
S3	12,988	R3	13,440		

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- The RSI is below 50 (48)
- Stochastic is below 50
- Price is below the daily pivot point USD 13,271
- Technical Outlook Previously: Upside moves considered as countertrend.
- We noted yesterday that an intraday double to formation had formed within the EMA resistance band, resulting in price selling lower. Our intraday Elliott wave analysis indicates that upside moves should be considered as countertrend; we also noted that the negative reversal pattern remained in play while below USD 13,482. Above USD 13,482 would signal an increase in buyside pressure. The upside rejection below the USD 13,585 resistance warned that the USD 12,988 Fibonacci support is becoming vulnerable.
- Bid support yesterday is finding resistance at the weekly pivot level at USD 13,350 resulting in price seeing a small move lower in the Asian day session. We remain below the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the buyside, as the previous candle closed above the daily pivot level.
- A close on the 4-hour candle below USD 13,271 with the RSI at or below 45.5 would mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 13,585 would 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 futures traded to a low of USD 13,103.5 yesterday; the breach in the USD 13,145 support warns of an increase in sell-side pressure, while the rejection of the weekly pivot level at USD 13,550 indicates we are seeing market sellers at higher levels. Elliott wave analysis continues to suggest that upside moves should be considered as countertrend, providing we remain below the USD 13,585 resistance. Although we are seeing signs of technical weakness, the futures are going to need to close below the low of the high volume dominant bull candle at USD 13,161.5, if we do, it will signal the USD 12,988 fractal support could come under pressure.

# Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,071	R1	3,141.5	Stochastic oversold	RSI below 50
S2	3,045.5	R2	3,207.5		
S3	2,974	R3	3,238		

**Synopsis - Intraday**

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (36)
- Stochastic is oversold
- Price is below the daily pivot point USD 3,080
- Technical outlook Previously: Caution on downside moves
- Technically unchanged yesterday, the futures continued to trade at new lows; however, we remained in divergence with the RSI implying caution on downside moves at those levels. We also noted that price was now testing the weekly 200-period MA at USD 3,069, a benchmark average on the higher timeframe that had the potential to act as a support. As highlighted previously, the divergence was a condition that would need confirmation from positive price action, a move above the USD 3,207.5 fractal resistance would signal an increase in buy-side pressure, indicating that this phase of the corrective cycle had completed. Key longer-term resistance was at USD 3,537, upside moves that failed at or below this level would indicate the potential for a more complex corrective cycle.
- The futures traded to a low of USD 3,045.5 before finding light bid support; however, we are seeing light selling pressure in the Asian day session. We remain below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the buy-side, as the previous candle closed above the daily pivot level.
- A close on the 4-hour candle below USD 3,080 with the RSI at or below 32.5 would mean price and momentum are aligned to the sell-side. Upside moves that fail at or below USD 3,537 would warn that there could be a larger corrective Elliott wave cycle in play.
- Technical outlook: Caution on downside moves
- Selling pressure remains, but the RSI is diverging from price, suggesting bearish momentum is weakening. A break below USD 3,045.5 would strengthen the divergence and complete a potential 3 Peaks and Troughs exhaustion pattern, indicating caution on further downside as the market may be nearing a reversal. Note: divergences are conditions, meaning we will need to see a bullish confirmation pattern to signal that the divergence is being respected.

# Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	3,460.5		RSI below 50
S2	R2			
S3	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (43)
- Stochastic is at 50
- Price is below the daily pivot point USD 3,506
- Technical outlook Previously: Caution on downside moves
- Technically bullish yesterday, price was at an inflection point, as we are trading around the intraday 200-period MA. However, the move higher was due to a positive divergence supported buy a 5-wave pattern lower, while the move above USD 3,540 signaled that the probability of price trading to new low has started to decrease, providing we remain above the USD 3,445 support. Bullish confirmation from the RSI also supports out technical argument that downside moves should be considered as a bullish throwback rather than bearish.
- The futures sold lower yesterday with price in a corrective phase, we are back below the EMA resistance 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 3,506 with the RSI at or above 55 would mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 3,445 will support a buyers argument, below this level the technical will re-enter bearish territory.
- Technical outlook: Caution on downside moves
- Based on the 5-wave pattern lower previously, coupled with price moving higher on a positive divergence with the RSI, the technical suggests downside moves should in theory be countertrend. However, the RSI is currently seeing negative velocity and acceleration, warning the USD 3,445 support is vulnerable. If broken, then price will re-enter bearish territory; if we do, then we will become technically neutral, as the pullback will be deeper than expected.