FIS

Base Morning Technical Report

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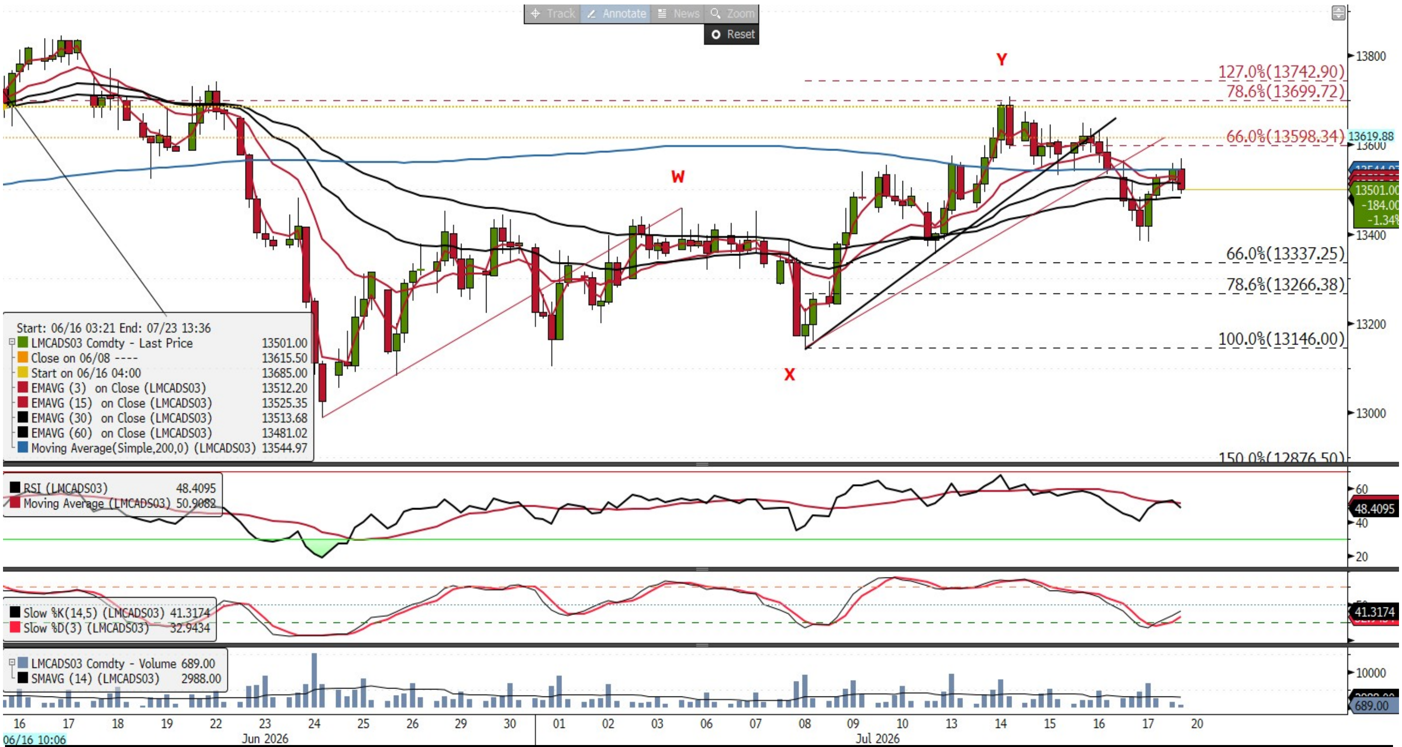
Metals

(Bloomberg) -- Codelco will resume operations at its Andina mine after suspending work as a precaution in the face of a powerful winter storm in central Chile, the state-owned company said in statement Saturday.

Earlier, Codelco resumed ore shipments from the open pit at El Teniente

Contingency plans remain in effect at both Andina and El Teniente, alongside monitoring, surveillance, and operational control protocols

Copper Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	13,490	R1	13,598	13,501		RSI below 50
S2	13,382	R2	13,699			
S3	13,337	R3	13,742			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA support band (Black EMA’s)
- The RSI is below 50 (47)
- Stochastic is below 50
- Price is above the daily pivot point USD 13,490
- Technical Outlook Previously: Sell side pressure increasing.
- We noted on Friday that the trend support break had resulted in price selling lower. The RSI was below 50, we had negative velocity and negative acceleration; However, having rejected the 60 level, we were testing 40, we highlighted that if momentum is bullish within a broader trend, we should hold around this level. We thought that we were looking at a W, X, Y pattern, suggesting the RSI should move and hold below the 40 level, as our pattern analysis implied the futures were corrective. Upside moves that failed at or below USD 13,613 would leave support levels vulnerable; market sellers should take a cautious approach if the RSI held 40 and the USD 13,613 level was breached.
- The RSI has held the 40 level, resulting in bid support into the close on Friday; however, the upside move has found light selling pressure in the Asian day session. Price is between the EMA support band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 13,490 with the RSI at or above 53 would mean price and momentum are aligned to the buyside; likewise, a close below this level would mean it is aligned to the sell side. Downside moves that held at or above USD 13,337 would support a bull argument, below this level the technical will have a neutral bias
- Technical Outlook: Caution on upside moves
- Based on our Elliott wave analysis, we continue to be cautious on upside moves, as previous buyside pressure looks to have been a W, X, Y pattern. However, if the USD 13,598 resistance is breached, then the probability of price trading to a new low will begin to decrease, signaling an increase in buyside pressure. On the sell-side, the futures look to be in the process of rejecting the USD 13,598 level, and the 200-period MA at USD 13,544; if price and momentum become aligned to the sell-side, or we close below the low of the last dominant bull candle at USD 13,479, it will warn of technical weakness. Although the RSI has held the 40 level, we remain below 60, meaning the RSI is seeing support, but is yet to signal that momentum pressure is increasing. We need to see more from the technical if we are to follow the W, X, Y pattern lower.

Aluminium Morning Technical (4-hour)

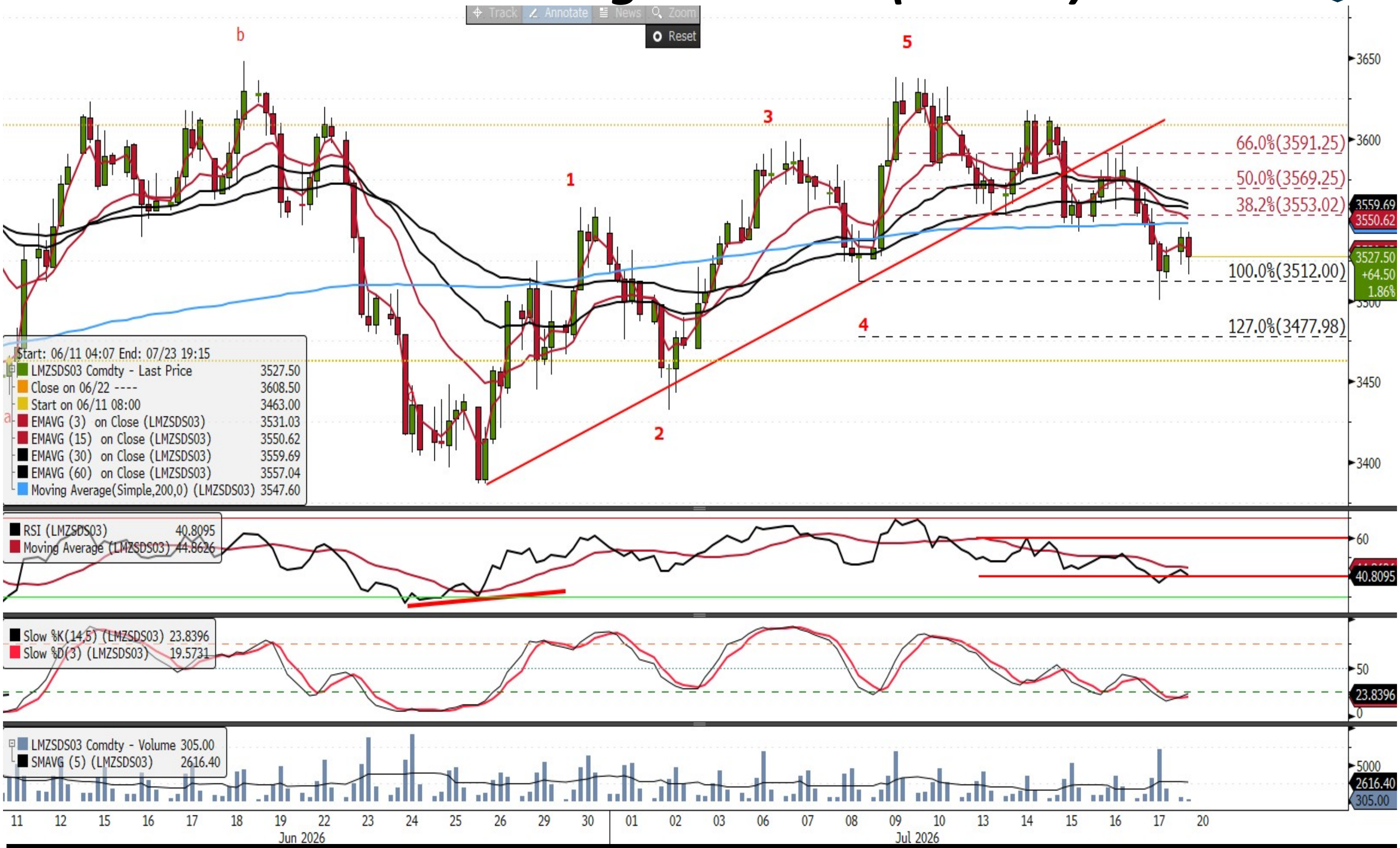
Support		Resistance		Current Price	Bull	Bear
S1	3,132	R1	3,173	3,145.5		RSI below 50
S2	3,102	R2	3,183			
S3	3,040	R3	3,232			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (44)
- Stochastic is below 50
- Price is below the daily pivot point USD 3,157
- Technical outlook Previously: inflection point
- Unchanged on the technical on Friday, the futures remained at an inflection point as price was on (just below) the trend support line at USD 3,162. A close and hold below the support line would signal an increase in sell side pressure, warning support levels could be tested. Conversely, for upside continuation, price would need to close and hold above the daily 200-period MA at USD 3,182. As highlighted previously, there were warning signs that upside moves could struggle to hold 1) the RSI had failed to hold the 60 level, it was now crossing 50 2) the trajectory of the upside slope on the move higher remains slight, indicating price action was lacking in energy. We still needed to see a high volume bull candle that closes above the 200-MA, and breaches the USD 3,379 level to signal a sentiment change at that point.
- Price is below the trend support line with the RSI below 50, intraday price and momentum are conflicting, as the previous candle closed above the daily pivot level.
- A close on the 4-hour candle above USD 3,157 with the RSI at or above 52.5 would mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 3,379 would signal that the corrective phase was becoming more complex, warning support levels could come under pressure.
- Technical outlook: inflection point
- Although price remains below trend support and the EMA resistance band, we are still yet to see an increase in sell side pressure at this point. We do have negative velocity and negative acceleration; however, the RSI is still currently above the 40 level. For downside continuation, we will need to see a convincing move away from the support line with the RSI holding below the 40 level. Conversely, a close above the support line at USD 3,173, and the daily 200-peirod MA at USD 3,183 would suggest buyside pressure is on the increase. We maintain a cautious approach to higher moves at this point, as the trend trajectory remains weak, while the RSI is failing to test the 60-level.

Zinc Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	3,512	R1	3,547	3,527.5	Stochastic oversold	RSI below 50
S2	3,500	R2	3,553			
S3	3,477	R3	3,569			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (40)
- Stochastic is oversold
- Price is below the daily pivot point USD 3,536
- Technical outlook Previously: Weakening
- The technical continues to come under pressure Friday; however, for downside continuation we needed to see a close and hold below the intraday 200-period MA at USD 3,548. If we did, then we would target the USD 3,512 fractal support. A close below the low of the last dominant bull candle at USD 3,526 (revised lower) would signal an increase in sell side pressure, as would an RSI close and hold below the 40 level. Market sellers should act with caution on a close back above the trend resistance at USD 3,605, as it would indicate that buyside pressure was increasing. Price action continued to weaken; however, we were entering a support zone between USD 3,548 and USD 3,526 that we needed to close below for downside continuation.
- The futures traded to a low of USD 3,500.5; however, we close only 50 cents below the last dominant bull candle at USD 3,525.5. We are below the EMA resistance band with the RSI below 50, intraday price and momentum are conflicting, as the previous candle closed above the daily pivot level.
- A close on the 4-hour candle above USD 3,536 with the RSI at or above 47 would mean price and momentum are aligned to the buyside. Likewise, a close below this level would mean it is aligned to the sell side.
- Technical outlook: Weakening
- The futures have closed below the intraday 200-period MA at USD 3,547 and breached the USD 3,512 fractal low; however, for downside continuation, we will need to hold below the average with the RSI holding below the 40 level. If we do, then the USD 3,500.5 fractal low, and the USD 3,477 Fibonacci support will become vulnerable. Market sellers should act with caution on a close and hold above the intraday 200 period MA. The RSI is currently at the 40 level, meaning it is at an inflection point.