Base Morning Technical Report

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(Bloomberg) -- Copper pulled back from its highest level since early June as traders watched for any announcement from the White House on its plans for import tariffs on the metal.

The US Department of Commerce was supposed to hand President Donald Trump fresh recommendations on levies more than three weeks ago, but no decision has been unveiled so far. The prospect of tariffs has pulled large volumes of metal into the US this year, tightening the global copper market.

News on US copper tariffs is a “key node to watch in the near term,” Chinese brokerage Jinrui Futures Co. wrote in a note. While prices have fundamental support, macroeconomic and geopolitical risks remain, they added.

Copper futures on the London Metal Exchange surged close to $14,000 a ton in the previous session on signs that supply is struggling to keep up with demand, including in the key Chinese market. But further escalation between the US and Iran in the Middle East, and caution over what exactly Trump might announce on tariffs, is keeping bullish sentiment in check.

Last year, the US Department of Commerce recommended a phased introduction of import tariffs on refined copper, starting at 15% from January 2027, but that proposal was to be revisited by the end of June this year. Should Trump stick to that plan, there would likely be a new wave of shipments to the US.

Despite the uncertain backdrop, several gauges point to a hotter market. Import premiums in China have spiked to their highest since 2023 at $115 a ton following disruptions to domestic scrap supply. Meanwhile, canceled warrants on the LME — orders to withdraw metal from exchange warehouses — topped 170,000 tons on Tuesday, with at least some of that likely heading to China.

Copper was 0.4% lower at $13,825.50 a ton by 12:54 p.m. Shanghai time, paring a rally of 1.9% on Tuesday. Other metals were flat to higher on the LME.

Copper Morning Technical (4-hour)

Support		Resistance		Current Price	Bull	Bear
S1	13,723	R1	13,893	13,798	RSI above 50	Stochastic overbought
S2	13,658	R2	13,948			
S3	13,596	R3	14,102			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI is above 50 (62)
- Stochastic overbought
- Price is below the daily pivot point USD 13,808
- Technical Outlook Previously: buyside pressure increasing.
- We noted yesterday that the upside move to a new high meant that we are looking at bullish impulse, as our W, X, Y pattern had failed. The new high meant that we had a minor negative divergence in play, this was a condition, not a sell signal, but needed to be monitored. Based on Fibonacci projection levels, we had a potential upside target at USD 13,827. Throwbacks that hold at or above USD 13,595 would support a buyer's argument, suggesting further upside within the cycle; conversely, if breached, then the probability of the futures trading to a new high would begin to decrease.
- The futures have continued to see bid support with price trading through the USD 13,827 level yesterday; however, we are seeing light selling pression this morning. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside, as the previous candle closed above the daily pivot point.
- A close on the 4-hour candle below USD 13,808 with the RSI at or below 59.5 would mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 13,569 would support a bull argument, below this level the technical will have a neutral bias
- Technical Outlook: Downside moves considered as countertrend
- The upside move to a new high yesterday resulted in the divergence failing, signaling bullish momentum confirmation, meaning price action remains supported at this point, high volume has accompanied the move higher. As highlighted previously, we'd had this move higher as corrective, rather than bullish; however, the upside breakout followed by a new high confirms it is impulse, indicating downside move should be considered as countertrend, providing throwbacks remain above the USD 13,569 support.

Aluminium Morning Technical (4-hour)

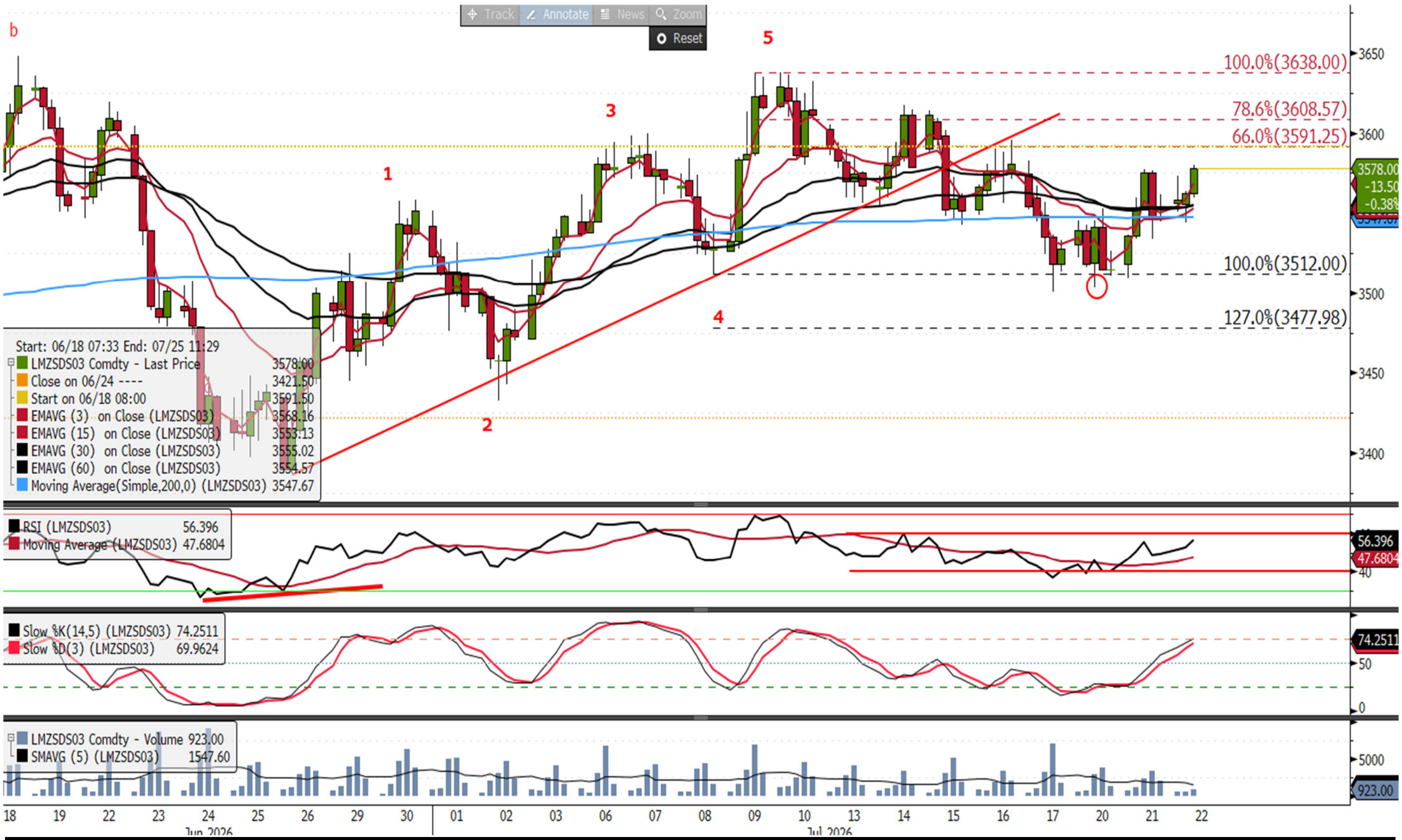
Support		Resistance		Current Price	Bull	Bear
S1	3,157	R1	3,199	3,170	RSI above 50	
S2	3,132	R2	3,188			
S3	3,120	R3	3,232			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is at 50 (50)
- Stochastic is above 50
- Price is above the daily pivot point USD 3,157
- Technical outlook Previously: Neutral
- The downside test has failed to hold previously, creating a descending triangle pattern. The move lower held resulted in the RSI holding the 40 level, signaling that momentum remained supported; market sellers would now need to see a close and hold below the base of the triangle at USD 3,120, supported by the RSI moving below 40. Conversely, for up-side continuation, price would need to close and hold above both the falling trend resistance line at USD 3,174, and the daily 200-period MA at USD 3,185. Note: the rising trend resistance line is also at USD 3,185. Neutral.
- The futures are yet to close outside of the triangle pattern. We are above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 3,157 with the RSI at or below 46.5 would mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 3,379 would signal that the corrective phase was be-coming more complex, warning support levels could come under pressure.
- Technical outlook: Neutral
- The futures are trading above the trend resistance line on the descending triangle at USD 3,166, we are yet to close above it. Near-term directional bias will come from a close that holds outside of the pattern, if it is to the upside, we will need to see elevated volume supporting the breakout. We should note that for upside continuation, we will need a daily close above the daily 200-period MA at USD 3,188, and an intraday close above the secondary trend resistance at USD 3,199.

Zinc Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	3,547	R1	3,591	3,578	RSI above 50	
S2	3,512	R2	3,608			
S3	3,500	R3	3,638			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (55)
- Stochastic is above 50
- Price is above the daily pivot point USD 3,546
- Technical outlook Previously: Momentum support
- We are seeing evidence of momentum support yesterday, as the RSI had held the 40 level while price had reclaimed the intraday 200-period MA at USD 3,547. If we held above the longer-term average then the USD 3,591 resistance could be tested and broken; if it was, then the probability of price trading to a new low would start to decrease. Conversely, a rejection of the USD 3,591 level will warn of technical weakness. The momentum support in conjunction with the move above the 200—Period MA did suggest that resistance could be tested.
- We did have a test to the downside yesterday; however, price failed to close below the intraday 200-period MA at USD 3,547. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 3,546 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 3,591 will leave price vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technical outlook: Momentum support
- Both price and the RSI are miking new highs, meaning we have bullish momentum confirmation, while the downside test yesterday failed to close and hold below the intraday 200-period MA, indicating buyside support. The USD 3,591 resistance remains vulnerable, if broken, then the probability of price trading to a new low will begin to decrease.