FIS

Base Morning Technical Report

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Cu

(Bloomberg) -- Copper posted a modest gain, helped by renewed investor optimism over spending on artificial intelligence and continued signs of tighter supply.

Copper on LME rose 0.3% to $13,850 a ton by 11:27 a.m. Shanghai time; aluminum, zinc and nickel also advanced

Expectations for massive spending on AI infrastructure have benefited copper this year, and a bigger-than-expected investment plan by Alphabet boosted sentiment toward Asian tech companies on Thursday

READ: Alphabet's $205 Billion AI Spending Spree Raises Stakes for Tech

The copper market has flashed signs of supply tightness this week, with import premiums in Shanghai rising to their highest since 2023, and LME's key cash-to-3 month spread remaining in backwardation since Tuesday

Investors are also monitoring the latest escalation in Middle East war after Iran-backed militants launched attacks on two oil tankers in the Red Sea

Iron ore futures rose 1.5% to $98.50 in Singapore, rebounding from their lowest close since February

Copper Morning Technical (4-hour)

Support		Resistance		Current Price	Bull	Bear
S1	13,832	R1	13,893	13,845.5	RSI above 50	Stochastic overbought
S2	13,723	R2	13,948			
S3	13,658	R3	14,102			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI is above 50 (63)
- Stochastic overbought
- Price is above the daily pivot point USD 13,832
- Technical Outlook Previously: Downside moves considered as countertrend
- The upside move to a new high previously resulted in the divergence failing, signaling bullish momentum confirmation, meaning price action remained supported at that point, high volume had 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 confirmed it is impulse, indicating downside move should be considered as countertrend, providing throw-backs remain above the USD 13,569 support.
- The futures have entered a small corrective phase, we remain above all key moving averages supported by the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 13,832 with the RSI at or above 67.5 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 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 futures have entered a small corrective phase; however, our lower timeframe (and higher timeframe) Elliott wave analysis suggests that downside moves should be considered as countertrend, providing we hold above the USD 13,569 support. Throwbacks the trade below USD 13,569 will warn that the probability of price trading to a new high has start-ed to decrease, warning the futures are entering a higher timeframe corrective phase. At this point, resistance is still considered as vulnerable; we should not that upside moves above USD 13,934 the technical will create a negative di-vergence with the RSI, implying caution on upside breakouts while the divergence is in play.

Aluminium Morning Technical (4-hour)

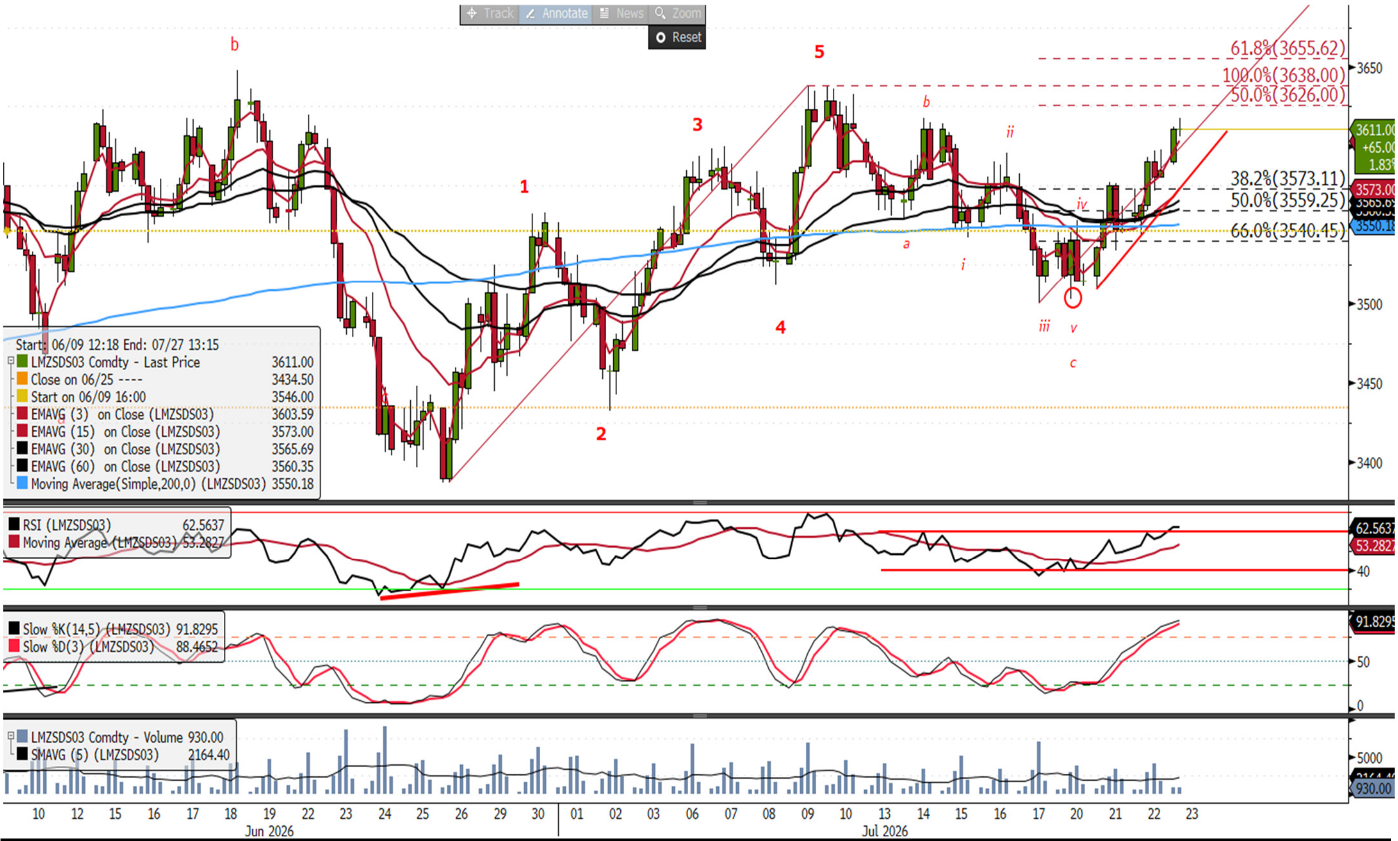
Support		Resistance		Current Price	Bull	Bear
S1	3,199	R1	3,208.5	3,204	RSI above 50	Stochastic overbought
S2	3,160	R2	3,232			
S3	3,120	R3	3,294			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is at 50 (64)
- Stochastic is overbought
- Price is above the daily pivot point USD 3,199
- Technical outlook Previously: Neutral
- The downside test yesterday had failed to hold previously, creating a descending triangle pattern. The move lower had 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 upside 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. We noted that the rising trend resistance line is also at USD 3,185. Neutral.
- The futures have broken the ascending triangle to the upside, resulting in a marginal close above the daily 200-period MA at USD 3,190. 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 3,199 with the RSI at or below 52 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 becoming more complex, warning support levels could come under pressure.
- Technical outlook: Momentum support
- On the buyside, we have broken the ascending triangle to the upside with the RSI moving above 60, we have also seen a marginal close above the daily 200-period MA; however, this is not a convincing close at this point. On the sell side, we lack volume support, indicating the break lacks conviction at this point, meaning we need to see buyside volume increase. If we close and hold above the rising trend resistance at USD 3,208.5 it will further support a buyers argument, as would a throwback that held the top of the ascending triangle at USD 3,160. We have a breakout and momentum support, but lack volume support, meaning we need to see more upside to clear the daily 200 MA on increased volume, if we do, it will signal an increase in buyside pressure.

Zinc Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	3,577	R1	3,626	3,611	RSI above 50	Stochastic overbought
S2	3,573	R2	3,638			
S3	3,559	R3	3,655			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (62)
- Stochastic is overbought
- Price is above the daily pivot point USD 3,577
- Technical outlook Previously: 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 would begin to decrease.
- The futures have continued to see momentum support, resulting in price trading above the USD 3,591 resistance and the USD 3,596 fractal resistance. 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 3,577 with the RSI at or below 51 would mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 3,540 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Buyside pressure increasing.
- With price breaching the USD 3,591 resistance it suggests that the failed swing low on the 20/07/26 at USD 3,503 was the completion of the corrective wave C (marked with a red circle). The probability of price trading to a new low has started to decrease, signaling an increase in buyside pressure; bullish momentum confirmation implies that downside moves should be considered as countertrend, providing throwbacks hold above the USD 3,559 support. A close and below the trend support line at USD 3,573 would warn that intraday price is entering a corrective phase.