FIS

Base Morning Technical Report

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(Bloomberg) -- Copper held above $14,000 a ton in the aftermath of the US Treasury's surprise intervention to rein in borrowing costs.

Treasury Secretary Scott Bessent ordered a big ramp-up in purchases of long-dated government debt in a fresh push to contain soaring yields and help the US economy. That lent support to copper, which had been under pressure as a short-term supply crunch began to ease this week.

Copper was 0.2% higher at $14,075 a ton at 12:08 p.m. Shanghai time, while aluminum was slightly lower and zinc and lead inched up.

Lower Treasury yields tend to weaken the dollar, which can offer support to commodities including metals by making them more attractive for buyers in other currencies. The Bloomberg Dollar Spot Index was steady on Thursday after slumping to a three-month low the day before.

Copper has had a turbulent week on the London Metal Exchange, with prices and spreads flaring higher due to a historic supply squeeze fueled by low inventories before this was blunted by the arrival of large tonnages on Tuesday and Wednesday to LME warehouses.

"Overall, market sentiment is very volatile at present, and we need to watch changes in the macro environment and copper tariffs," Jinrui Futures Co. wrote in a note.

Inventories of copper in LME warehouses had been drained by a surge in shipments to the US, driven in large part by higher prices there in anticipation of President Donald Trump announcing import tariffs.

Iron ore fell 0.7% to $95.30 a ton, while yuan-priced futures on the Dalian COmmodity Exchange were down 2.7%.

Copper Morning Technical (4-hour)

Support		Resistance		Current Price	Bull	Bear
S1	13,988	R1	14,062	14,048	Stochastic oversold	RSI below 50
S2	13,844	R2	14,126			
S3	13,738	R3	14,212			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- The RSI is below 50 (47)
- Stochastic is oversold
- Price is above the daily pivot point USD 13,988
- Technical Outlook Previously: Downside moves considered as countertrend.
- We noted yesterday that the futures look to be in a corrective Elliott wave A, implying that an intraday upside move in the near-term could potentially struggle to hold, warning that there could be further downside within the corrective phase to follow. The RSI moving average warned of momentum weakness with USD 13,844 the key support to follow. If breached, then the depth of the pullback would warn that the probability of price trading to a new high would begin to decrease; conversely, a move above USD 14,232 will signal an increase in buyside pressure.
- The futures sold to a low of USD 13,865.5 before finding bid support off USD weakness. Price is below the EMA support band with the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 13,988 with the RSI at or below 41 would mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 13,844 would support a bull argument, below this level the technical will have a neutral bias
- Technical Outlook: Wave B
- The broader trend remains bullish above USD 13,844 and neutral below. The upside move yesterday on USD weakness suggest that we have entered an Elliott wave B, making USD 14,212 the key resistance to follow. Upside moves that reject this level will warn of further downside in the near-term; however, caution is warranted on moves above USD 14,212, as it will warn we could be in the early stages of a bullish Elliott wave 5. We maintain our view that downside moves should be considered as countertrend.

Aluminium Morning Technical (4-hour)

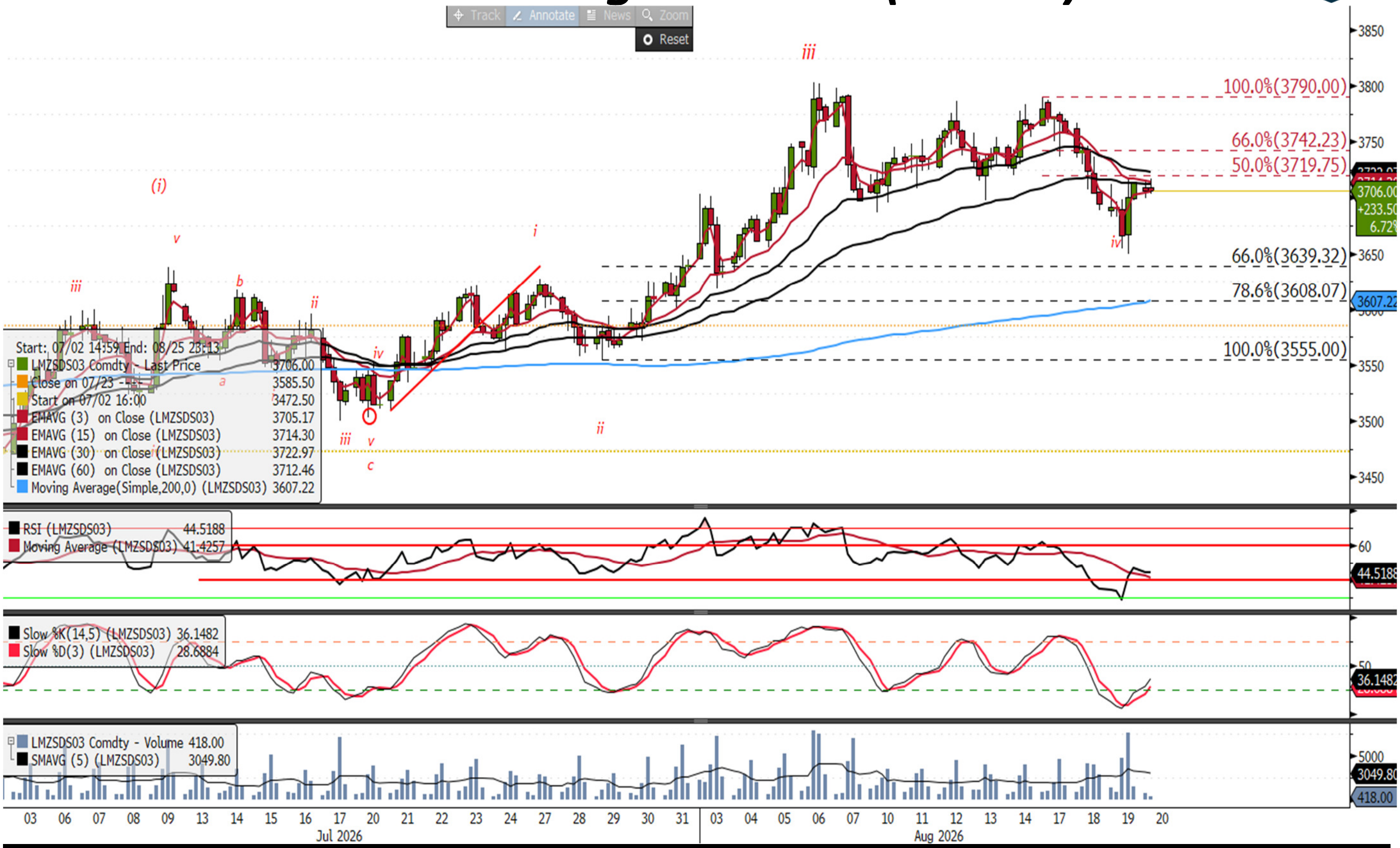
Support		Resistance		Current Price	Bull	Bear
S1	3,188	R1	3,217	3,208.5		RSI below 50
S2	3,176	R2	3,273			
S3	3,120	R3	3,294			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (37)
- Stochastic is below 50
- Price is below the daily pivot point USD 3,217
- Technical outlook Previously: Caution on downside moves
- The move below the USD 3,209 support yesterday meant that the technical condition had started to deteriorate, warning the 3-wave move lower had the potential to be part of a larger corrective phase, making USD 3,323 the key near-term resistance to follow. We had a cautious approach to downside moves yesterday, as the RSI was divergent while the intraday 200-period MA was at USD 3,188, leaving the futures vulnerable to intraday support. However, if we saw a sustained close below the daily 200-period MA at USD 3,188, it could potentially trigger further selling pressure within the current corrective 3-wave pattern. The intraday divergence implies caution on lower moves, if the RSI reclaims and holds the 40 level it would warn of momentum support in the market.
- The futures traded to a low of USD 3,1887 before finding light bis support off the intraday 200-period MA at USD 3,188. Price is lower this morning, meaning we are below the EMA support 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 3,217 with the RSI at or above 42.5 would mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 3,216 will leave price vulnerable to further downside moves; conversely, above this level the technical will re-enter bullish territory.
- Technical outlook: Caution on downside moves
- Unchanged on the technical this morning. As highlighted previously, the move below USD 3,209 warns that the 3-wave pattern lower has the potential to be part of a larger corrective phase, providing the USD 3,216 resistance is not breached. We remain cautious on downside moves in the near-term as the 200-period MA is at USD 3,188 while the RSI has the potential to be divergent below this level. If we see a sustained close below the daily 200-period MA at USD 3,188, it could potentially trigger further selling pressure within the current corrective 3-wave pattern.

Zinc Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	3,691	R1	3,719	3,706		RSI below 50
S2	3,639	R2	3,742			
S3	3,608	R3	3,790			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (44)
- Stochastic is below 50
- Price is above the daily pivot point USD 3,691
- Technical outlook Previously: Downside moves considered as countertrend.
- The failure to trade to a new high yesterday warned that we could be looking at a flat corrective phase corrective phase (wave structure 3-3-5), making USD 3,671 a point of interest for market buyers, as wave A and B are at equilibrium. For this reason, we were cautious on lower moves in the near-term.
- The futures sold to a low of USD 3,649.5 but failed to close below the USD 3,671 support highlighted previously. We have seen bid support but remain below the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 3,691 with the RSI at or below 39 would mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 3,639 would support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Downside moves considered as countertrend.
- Unchanged on the technical today. As highlighted previously, this looks to be a flat Elliott wave correction with downside moves considered as countertrend. We now have a 3-wave corrective structure lower that warns market sellers should act with caution. Market bulls will need to see price above the USD 3,742 resistance, as a rejection here would signal that we could be looking at a more complex corrective phase.