FIS

Base Morning Technical Report

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

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(Bloomberg) -- Copper edged higher as US bond yields eased ahead of the Federal Reserve's decision later Wednesday on whether to raise interest rates.

Futures rose on the London Metal Exchange alongside other major contracts, boosted by a decline in Treasury yields and a reversal of the dollar's earlier advance. Prices are still down sharply from a record reached last week that was driven by bets on a US tariff-driven supply squeeze.

Traders have spent the year piling copper into US warehouses hoping to benefit from tariffs that would spike domestic prices, but so far the White House has held off on new measures. Meanwhile, stockpiles in LME-accredited storage facilities outside the country continued to rise this week, diminishing the threat of a supply pinch.

Three-month futures are trading at a premium of $62.53 a ton to copper for immediate delivery, a market structure known as contango that signals ample supply. In previous weeks the reverse formation — backwardation — that indicates a tight market had prevailed.

The Fed is widely expected to raise interest rates for the first time since 2023, which is typically a headwind for non-interest bearing assets like commodities. Expectations that high energy prices and booming capital investment will stoke inflationary pressures pushed benchmark 10-year Treasury yields to the highest since 2007 on Tuesday.

Copper was 0.7% higher at $14,176 a ton on the LME at 12:20 p.m. Singapore time. Other metals were mixed, with nickel up 0.5% and lead up 0.6%.

Copper Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	14,094	R1	14,223	14,176.5		RSI below 50
S2	14,045	R2	14,359			
S3	14,000	R3	14,552			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- The RSI below at 50 (46)
- Stochastic is below 50
- Price is above the daily pivot point USD 14,045
- Technical Outlook Previously: inflection point
- Bid support in the Asian day session yesterday meant that the futures were testing the intraday 200-period MA at USD 14,081, indicating that price was at an inflection point. A close and hold above the average would imply underlying support was entering the market, warning intraday resistance levels could be tested; conversely, if rejected, then it would leave price vulnerable to one more test to the downside within this phase of the cycle. A close and hold above the 200-period MA would signal support; however, a move above the USD 14,099 1-hour fractal resistance would imply that buyside pressure was increasing. We noted that we would have a note of caution on moves below USD 13,958, as it had the potential to create a positive divergence on the 1-and-4-hour timeframes.
- The futures have closed above the intraday 200-period MA at USD 14,094 with price trading through the USD 14,099 1-hour fractal resistance. We 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 14,045 with the RSI at or below 36 would mean price and momentum are aligned to the sell side. Upside moves that fail at or below the USD 14,223 (correction) resistance would leave price vulnerable to further tests to the downside, above this level the technical would have a neutral bias.
- Technical Outlook: Buyside pressure increasing
- The mover higher on the positive divergence means that price has held the 50-period MA on the daily timeframe at USD 14,000 and the intraday fractal resistance, implying buyside pressure is increasing. The futures have closed above the intraday 200-period MA at USD 14,094 with price seeing bid support, if we hold above the average then we look to test the USD 14,223 level. This is the first of two key intraday resistance level, if broken, then in theory, the probability of the futures trading at a new low would start to decrease; however, we highlight USD 14,552 as a second key level to follow. If this level is rejected, then it will warn that the corrective phase has the potential to become more complex, in the form of a double 3 pattern. Price is showing bid support on the divergence with the RSI reclaiming the 40 level, this is warning that resistance is becoming vulnerable. Caution would be warranted on throwbacks where the RSI falls below 40.

Aluminium Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	3,247	R1	3,266	3,258		RSI below 50
S2	3,241	R2	3,279			
S3	3,217	R3	3,290			

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 3,247
- Technical outlook Previously: Inflection point
- The move below USD 3,241 previously implied that the probability of the futures trading at a new high had started to decrease; Countering this, we had a 3-wave corrective pattern lower with the futures holding above the intraday 200-period MA at USD 3,240, we noted that the average held more weight that the Fibonacci support. A close and hold above the daily 200-period MA at USD 3,266 would signal higher timeframe support, while a move above USD 3,308 would signal buyside pressure would increasing. However, for upside continuation the futures would need to trade above the USD 3,319 resistance to re-enter bullish territory. The futures were above the intraday 200-period MA but below the daily 200 MA, meaning we were at an infection point.
- The futures traded at a low of USD 3,223.5 before finding light bid support to close back above the intraday 200-period MA at USD 3,242. We 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 3,247 with the RSI at or below 37 would mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 3,279 would leave the futures vulnerable to further tests to the downisde, above this level the technical would have a neutral bias.
- Technical outlook: Inflection point
- The futures remain at an inflection point, as we are yet to see a close and hold above the daily 200-period MA at USD 3,270. However, having failed to close above the intraday 200-peirod MA at USD 3,247 the RSI has held the 40 level, implying momentum support. We are seeing warning signs that resistance is vulnerable, but the daily 200-period MA is a benchmark average, for upside continuation we need the close and hold above this average.

Zinc Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	3,797	R1	3,855	3,852		RSI below 50
S2	3,767	R2	3,878			
S3	3,738	R3	3,918			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (47)
- Stochastic is oversold
- Price is below the daily pivot point USD 3,797
- Technical outlook Previously: Positive divergence.
- The future remained above the intraday 200-period MA at USD 3,759 yesterday with the 1-hour RSI still divergent. For downside continuation the futures needed to close and hold below the average with the divergence failing, failure to do so would leave price vulnerable to an intraday move higher. We maintain a cautious approach to downside breakouts at this point.
- The futures sold at a low of USD 3,734 before finding bid support. We are 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 3,797 with the RSI at or below 34 would mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 3,855 would leave the futures vulnerable to further tests to the downside, above this level the technical would have a neutral bias.
- Technical outlook: Buyside pressure increasing
- The futures failed to close below the intraday 200-period MA at USD 3,767 with price moving higher on the positive RSI divergence. Price is testing the USD 3,855 resistance, if broken then the probability of the futures trading at a new low would begin to decrease, signaling buyside pressure is increasing. The RSI has reclaimed 40, if we hold above it, then it would signal momentum support, whileabove 50 would imply positive velocity, warning resistance could come under further pressure. USD 3,952 will be a key higher timeframe resistance, a rejection at or below this level would signal a more complex corrective phase.