FIS

Base Morning Technical Report

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

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(Bloomberg) -- Copper edged higher as supply concerns came to the fore, with workers at a major operation in Chile voting to strike after talks failed.

Futures rose toward $14,500 a ton in London, nearing the record hit earlier this month and on track for a third monthly gain. Workers at Antofagasta Plc's Centinela site overwhelmingly rejected the company's final wage offer, raising the prospect of a walkout at one of the miner's key operations.

The red metal is headed for a quarterly advance of about 8%, with physical markets showing signs of tightness, and vast amounts of refined material stockpiled in US warehouses on expectations that the Trump administration will introduce a tariff on imports. Deutsche Bank AG has said that it sees prices surging by more than 50% to above $22,000 a ton within the next six months as buyers compete for shrinking holdings of available metal.

Among signs of tightness, charges for processing concentrate have plunged deeper into negative territory, squeezing smelter margins and signaling a shortage of mined material. An index of spot treatment charges fell to minus $267.40 a ton, according to Fastmarkets Ltd. In China, meanwhile, the Yangshan import premium — a gauge of demand — is close to the highest since 2022.

Three-month futures rose 0.2% to $14,438 a ton on the London Metal Exchange at 11:58 a.m in Singapore. Other metals were mixed, with aluminum, zinc and lead rising, while nickel and tin were little changed.

In ferrous markets, iron ore fell for a seventh day, retreating 0.7% to $94.20 a ton in Singapore. That put prices on track for the lowest close since early August.

Copper Morning Technical (4-hour)



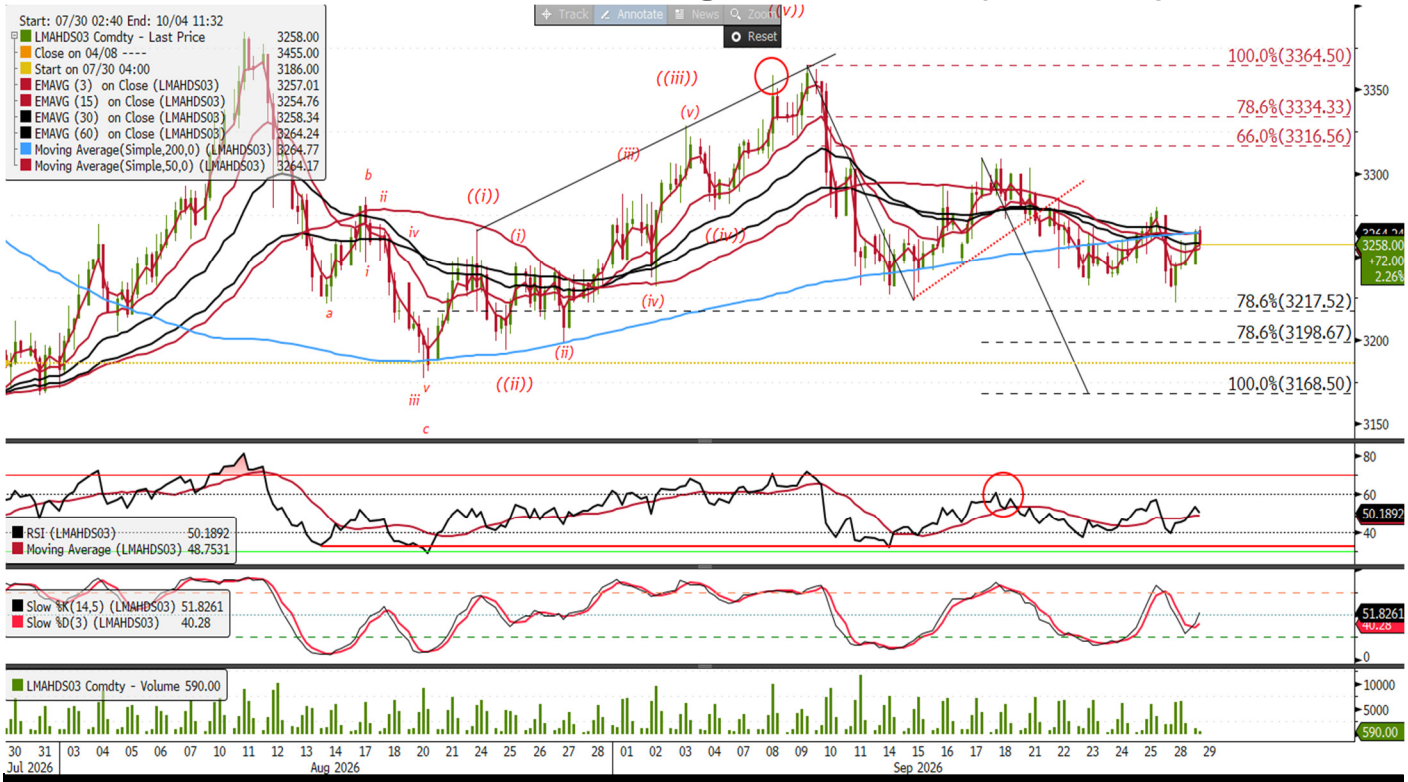
Support		Resistance		Current Price	Bull	Bear
S1	14,365	R1	14,477	14,449	Stochastic oversold	RSI below 50
S2	14,304	R2	14,518			
S3	14,285	R3	14,574			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- The RSI below at 50 (41)
- Stochastic is oversold
- Price is on/above the daily pivot point USD 14,447
- Technical Outlook Bullish throwback
- The futures remained in a corrective phase yesterday having to failed to break fractal resistance on Friday. We had a 3-wave pattern lower with key support at USD 14,365, throwbacks that breached this level would reduce the probability of price trading at a new high. The RSI was testing 40, a close and hold below this level would signal momentum weakness, warning the technical had the potential to weaken further. Conversely, market sellers should act with caution if the USD 14,365 was tested but holds, followed by the RSI reclaiming the 40 level, as it would signal buyside support is entering the market.
- The futures sold to a low of USD 14,343 before seeing light bid support, we are below the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the sell side, as the previous candle closed below the daily pivot level.
- A close on the 4-hour candle above USD 14,447 with the RSI at or above 49 would mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 14,574 would leave the buyures vulnerable to further tests to the downside.
- Technical Outlook: Neutral
- The depth of the pullback implies that the probability of the futures trading at a new high has started to decrease, signaling the wave cycle has entered neutral territory. On the buyside, although the USD 14,365 support has been breached, price has failed to close below the 100% Fibonacci projection level at USD 14,387, we also note that the RSI is struggling to hold below the 40 level. If the RSI holds above 40, it will warn of momentum support. On the sell side, the daily candle yesterday was a dominant bear candle, meaning we need to see a daily close above the high of this candle at USD 14,586. We have a 3-wave intraday pattern lower, within the third wave, the 1-hour timeframe consists of 5-waves, this pattern warns of potential downside exhaustion. We are cautious on lower moves at this point; however, more upside and the bullish close highlighted are needed to signal an increase in buyside pressure.

Aluminium Morning Technical (4-hour)



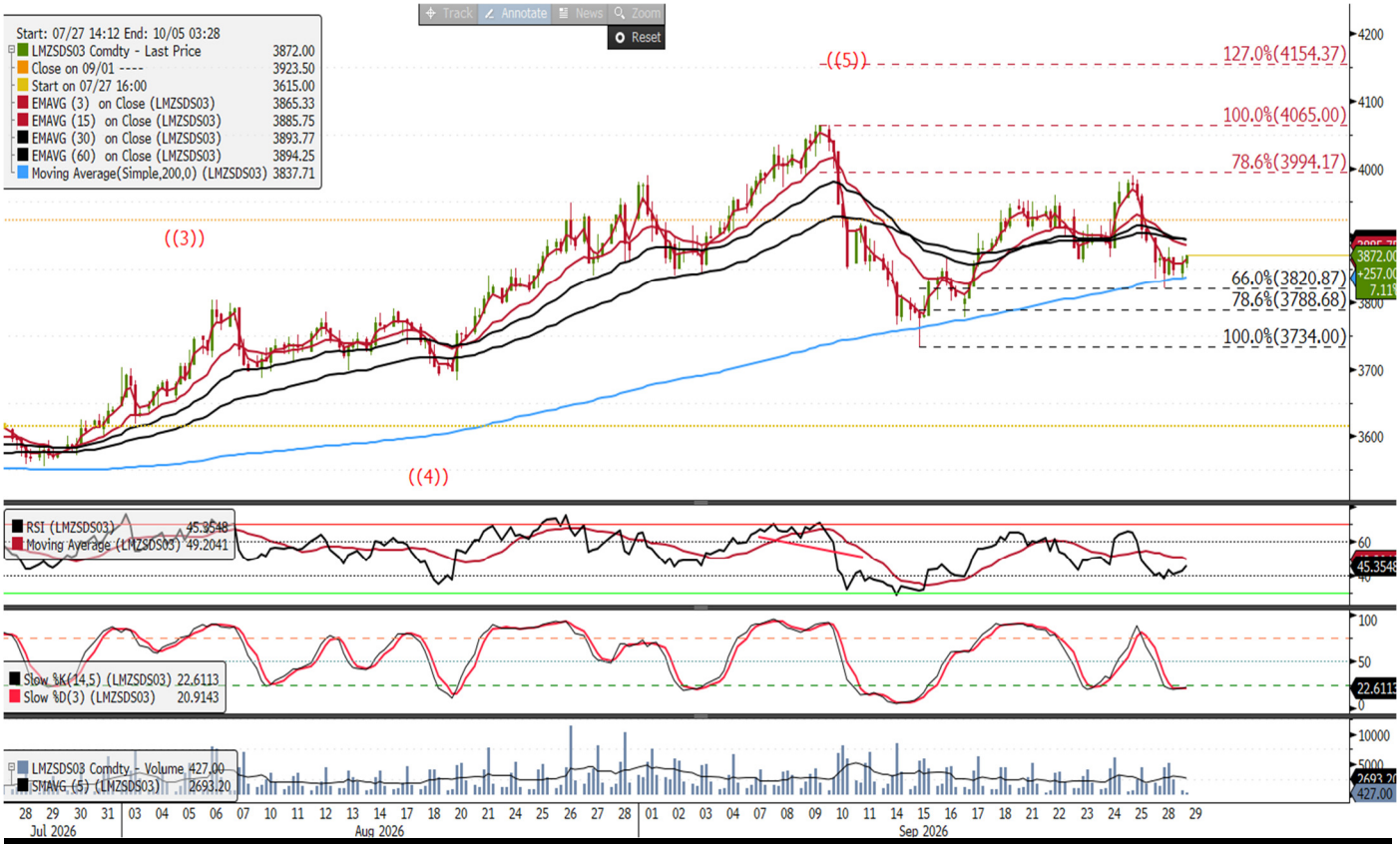
Support		Resistance		Current Price	Bull	Bear
S1	3,249	R1	3,264	3,259		
S2	3,249	R2	3,280			
S3	3,217	R3	3,288			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is at 50 (50)
- Stochastic is below 50
- Price is above the daily pivot point USD 3,249
- Technical outlook Previously: Sell-side pressure increasing
- We noted yesterday that the move below the USD 3,232.5 support implied that we were looking at a more complex corrective phase, suggesting support levels were becoming increasingly vulnerable. Fibonacci projection levels were warning that we had the potential to trade as low as USD 3,168 within this phase of the cycle. Market sellers should act with caution if we trade above the USD 3,251 fractal resistance on the 1-hour timeframe, supported by the RSI reclaiming the 40 level, as it would indicate that buyside support was entering the market.
- Having sold at a low of USD 3,222.5 the futures have seen bid support to trade above the USD 3,251 level. We are between the EMA support band with the RSI neutral at 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 3,249 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 3,316 would warn that the corrective phase has the potential to become more complex.
- Technical outlook: Neutral
- Yesterday was a classic example of needing the open price action to be confirmed by the candle close. Having sold to a low of USD 3,222.5, the futures witnessed bid support, meaning the RSI held the 40 level, resulting in price closing on the daily 50-period SMA at USD 3,250. Intraday price has reverted back to its 200-period MA at USD 3,264. The futures tested the downside yesterday, however, with price reverting back to key averages, the technical remains neutral.

Zinc Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	3,856	R1	4,994	3,872	Stochastic oversold	RSI below 50
S2	3,837	R2	4,065			
S3	3,820	R3	4,154			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (45)
- Stochastic is oversold
- Price is above the daily pivot point USD 3,856
- Technical outlook Previously: inflection point
- The futures were trading on the intraday 200-period MA at USD 3,232 yesterday, meaning the futures were at an inflection point. A close and hold below the average would leave support levels vulnerable. Throwbacks below USD 3,820 would suggest that the probability of the futures trading at a new high would start to decrease; however, we noted that the 200-period MA held more weight than the Fibonacci support. Throwbacks that breached the USD 3,820 level but failed to hold below the 200-period MA would suggest caution, as it would imply that market buyers were protecting the average.
- The futures traded at a low of USD 3,821 with price failing to close below the 200-period MA at USD 3,837. We are below the EMA support band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 3,856 with the RSI at or above 51.5 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 3,820 would support a bull argument, below this level the technical would have a neutral bias.
- Technical outlook: Supported
- The futures have held the 200-period MA and the USD 3,820 Fibonacci level, while the RSI is holding above 40, implying price is currently supported. If price and momentum become aligned to the buyside, it would suggest that buyside pressure is starting to increase, warning resistance levels could be tested. As highlighted yesterday, throwbacks below USD 3,820 would suggest that the probability of the futures trading at a new high would start to decrease; however, the 200-period MA holds more weight than the Fibonacci support. Throwbacks that breach the USD 3,820 level but failed to hold below the 200-period MA would suggest caution, as it would imply that market buyers were protecting the average.