FIS

Base Morning Technical Report

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(Bloomberg) -- Copper held above $14,400 a ton in London, as workers at a major mining operation in Chile voted to strike after wage talks failed.

Futures remain on track for a third monthly gain, with annual wage negotiations under way at some of the world's biggest copper producers. Workers at Antofagasta Plc's Centinela site overwhelmingly rejected the company's final wage offer, raising the prospect of a walkout. Separately, a union representing more than 1,000 supervisors and staff members at BHP's Escondida copper mine, the world's largest, are voting on management's final wage offer, with the result due Wednesday.

Copper climbed to a record $14,875 earlier in September, and is headed for a monthly advance of about 1%, with physical markets showing signs of tightness. Vast amounts of refined material have been 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.

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 settle at $14,438.50 a ton on the London Metal Exchange. Other metals were mixed, with nickel down 1.4% and tin up 0.8%.

Copper Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	14,435	R1	14,477	14,456		RSI below 50
S2	14,365	R2	14,518			
S3	14,304	R3	14,574			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- The RSI below at 50 (44)
- Stochastic is below 50
- Price is above the daily pivot point USD 14,435
- Technical Outlook: Neutral
- The depth of the pullback yesterday implied that the probability of the futures trading at a new high had started to decrease, signaling the wave cycle had entered neutral territory. On the buyside, although the USD 14,365 support had been breached, price has failed to close below the 100% Fibonacci projection level at USD 14,387, we also noted that the RSI is struggling to hold below the 40 level. If the RSI held above 40, it would warn of momentum support. On the sell side, we had a dominant bear candle, meaning we needed to see a daily close above the high of this candle at USD 14,586. We had a 3-wave intraday pattern lower, within the third wave, the 1-hour timeframe consisted 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 were needed to signal an increase in buyside pressure.
- The futures remain supported with price still failing to close below the USD 14,387 level. Price is 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 14,435 with the RSI at or below 40.5 would mean price and momentum are aligned to the sell-side. Upside moves that fail at or below USD 14,574 would leave the futures vulnerable to further tests to the downisde.
- Technical Outlook: neutral
- The depth of the pullback below USD 14,365 means that the probability of the futures trading at a new high has started to decrease, the futures have failed to close below the 100% Fibonacci projection at USD 14,387, while the RSI is currently holding above 40, implying market support. As highlighted yesterday, we have a 3-wave corrective pattern lower, while within the final leg, the 1-hour chart is showing a 5-wave pattern. This does not mean that we the futures will not trade below the USD 14,343; however, it does suggest caution on lower moves at this point. Upside moves that above the USD 14,502 level would warn that the USD 14,574 resistance could be tested and broken; if it is, then the probability of price trading at a new low would start to decrease. Due to the dominant bear candle on the daily chart, we feel a more cautious approach is warranted, meaning a daily close above the high of this candle at USD 14,586 is needed to signal an increase in buyside pressure.

Aluminium Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	3,198	R1	3,229	3,213	Stochastic oversold	RSI below 50
S2	3,168	R2	3,250			
S3	3,130	R3	3,265			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (36)
- Stochastic is oversold
- Price is below the daily pivot point USD 3,229
- Technical outlook Previously: Neutral
- We noted previously that we had seen 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 had held the 40 level, resulting in price closing on the daily 50-period SMA at USD 3,250. Intraday price had reverted back to its 200-period MA at USD 3,264. The futures tested the downside on Monday, however, with price reverting back to key averages, the technical remained neutral.
- Price rejected the intraday 200-period MA at USD 3,265 yesterday, resulting in the futures trading at a new low. We are below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell-side
- A close on the 4-hour candle above USD 3,229 with the RSI at or above 45.5 would mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 3,310 would warn that the corrective phase has the potential to become more complex.
- Technical outlook: Sell side pressure increasing
- The RSI is below 40 and making new lows alongside price, meaning we have bearish momentum confirmation, we also note that price has closed below the daily 50-period SMA at USD 3,250, warning sell side pressure is increasing. Fibonacci projection levels are warning that we could trade as low as USD 3,168 within this phase of the cycle. Market sellers should act with caution if we see a daily close back above the 50-period SMA as it would suggest that the technical remains neutral.

Zinc Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	3,859	R1	4,994	3,863	Stochastic oversold	RSI below 50
S2	3,842	R2	4,065			
S3	3,820	R3	4,154			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (43)
- Stochastic is oversold
- Price is above the daily pivot point USD 3,859
- Technical outlook Previously: Supported
- The futures had held the 200-period MA and the USD 3,820 Fibonacci level yesterday, while the RSI was holding above 40, implying price was currently supported. If price and momentum become aligned to the buyside, it would suggest that buyside pressure was starting to increase, warning resistance levels could be tested. As highlighted previously, 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 held 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.
- The futures continue to consolidate above the intraday 200-period MA at USD 3,842; however, we remain below the EMA resistance band, with the RSI below 50. Intraday price and momentum are still conflicting as the RSI needs to close above 45.
- A close on the 4-hour candle above USD 3,859 with the RSI at or above 45 would mean price and momentum are aligned to the buyside. 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: Bear pennant forming
- The futures remain supported price holding above the 200-period MA, while the RSI is holding above the 40 level. However, due to the consolidation above the average, we now have a bearish pennant forming. If we see a close and hold below the average it would signal a downside breakout, warning the USD 3,734 support could be tested. Conversely, market sellers should act with caution on a close and hold above the trend resistance at USD 3,880 as it would suggest that the bearish pattern is failing. Although supported, the pennant has potentially bearish implications going forward.