FIS

Base Morning Technical Report

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(Bloomberg) -- Copper rose for a second session after a US employment report eased pressure on the Federal Reserve to raise interest rates.

Futures gained as much as 0.9% on the London Metal Exchange on Monday, while Asian stock markets also advanced. Copper had seen the biggest weekly loss since March on Friday, hit by data showing industrial weakness in China.

In the US, data showed nonfarm payrolls rising just 29,000 last month, below all estimates by economists surveyed by Bloomberg. That led traders to pare bets that the Fed would hike rates this month, which would be negative for non-yielding assets like commodities.

Prices for the red metal are still consolidating near record levels after the threat of US tariffs saw traders ship hundreds of thousands of tons of metal into the country, potentially squeezing supply elsewhere. Meanwhile, demand is being bolstered by consumption by data centers and renewable energy.

Copper rose 0.6% to trade at $14,347 a ton on the LME by 10:27 a.m. Singapore time. Tin added 0.2% and and aluminum was flat.

Singapore iron ore futures declined 0.3% to $91.05 a ton. Chinese traders are still away for the Golden Week holiday, which may be curbing market liquidity across metals.

Copper Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	14,233	R1	14,304	14,297	Stochastic oversold	RSI below 50
S2	14,197	R2	14,321			
S3	14,080	R3	14,349			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- The RSI below at 50 (38)
- Stochastic is oversold
- Price is below the daily pivot point USD 14,304
- Technical Outlook: Supported
- We noted previously that price was the lead indicator, on the chart I hade highlighted 3 intraday bull support candles, this was the market supporting the daily 50-period SMA at USD 14,225. If we closed and hold above the intraday 200-period MA at USD 14,315, supported by the RSI reclaiming the 40 level, then the USD 14,448 resistance becomes vulnerable. If broken, then the probability of the futures trading at a new low would start to decrease. Evidence of support in the market, meaning we were cautious on lower moves at those levels. For downside continuation, we need a close and hold below the daily 50-period SMA at USD 14,225.
- The futures remain supported with price below the EMA resistance band while the RSI is below 50, intraday price and momentum are conflicting
- A close on the 4-hour candle below USD 14,304 with the RSI at or below 34.5 would mean price and momentum are aligned to the sell-side; likewise, a close above this level would mean it is aligned to the buyside. Upside moves that fail at or below USD 14,448 would leave the futures vulnerable to further tests to the downside, above this level the probability of price trading at new low would start to decrease.
- Technical Outlook: Supported
- The futures continue to hold the support area highlighted previously; however, we remain below the intraday 200-period MA at USD 14,321. A close and hold above the average would warn that the USD 14,448 resistance could come under pressure, if broken, then the probability of the futures trading at a new low would start to decrease. Likewise, market buyers should act with caution on a close and hold below the USD 14,213.5 low, as this would also put price below the daily 50-period SMA at USD 14,237, warning that sell side pressure was on the increase. From a technical perspective, we maintain a cautious approach to lower moves while above the support zone.

Aluminium Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	3,098	R1	3,116	3,107	Stochastic oversold	RSI below 50
S2	3,081	R2	3,134			
S3	3,027	R3	3,174			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (32)
- Stochastic is oversold
- Price is below the daily pivot point USD 3,116
- Technical outlook Previously: Upside move considered as countertrend
- We noted on Friday that the strength of the move lower had volume support, while the RSI had moved below 30, implying intraday upside moves had the potential to be countertrend; however, we had a positive RSI divergence on the 1 -hour timeframe, meaning we are cautious on lower moves at those levels at that point. If price and momentum became aligned to the buyside, it would warn that the trend resistance at USD 3,168 could be tested; a close and hold above the resistance line would signal buyside pressure was increasing, leaving the Fibonacci resistance zone vulnerable. Conversely, a rejection of the trend line would warn that the USD 3,112 low could come back under pressure. Key resistance on the technical was at USD 3,242, only above this level the probability of the futures trading at a new low would begin to decrease.
- The futures traded at a high of USD 3,153, rejected the trend resistance line an sold at a new low. We remain below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side, as the RSI was below its average on the previous candle close.
- A close on the 4-hour candle above USD 3,116 with the RSI at or above 30 would mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 3,234 would warn that the corrective phase has the potential to become more complex.
- Technical outlook: Positive reversal pattern
- The move to a new low means that we have a positive reversal pattern in play. This is a condition that warns sell side momentum could slow, it will need confirmation of bullish price action. A close and hold above the trend resistance line at USD 3,134 would signal an increase in buyside pressure, warning that USD 3,234 resistance could be tested. This is a key level on the technical, if broken, then the probability of price trading at a new low would start to decrease; conversely, if rejected, it would signal a more complex corrective phase. With the divergence in play, we have a cautious approach to lower moves at these levels. Market buyers should act with caution if the divergence fails.

Zinc Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	3,687	R1	3,719	3,690	Stochastic oversold	RSI below 50
S2	3,641	R2	3,798			
S3	3,602	R3	3,835			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (24)
- Stochastic is oversold
- Price is below the daily pivot point USD 3,719
- Technical outlook Previously: Caution on downside moves
- The futures remained in a corrective phase on Friday with Fibonacci projection levels suggesting we could target the USD 3,687 support, while the move lower had volume support. On the buy-side, we were looking at a complex corrective phase with the futures now on its third wave, within the move lower from the move that started on the 30/09/26, we could identify 4-waves, implying the move lower on Friday was potentially the 5th and final wave for this phase of the cycle. Breakouts below USD 3,711 would create a positive RSI divergence on the 1-hour timeframe, implying caution while the divergence was in play. If we close and held below the USD 3,687 100% Fibonacci projection, supported by an RSI failure, it would warn of a lower timeframe bearish Elliott extension, at that point, USD 3,583 would become a viable downside target, as this was the 161.8% projection level.
- The futures have sold at a low of USD 3,682 with price remaining 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 3,719 with the RSI at or above 30.5 would mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 3,884 would warn that support levels could come under further pressure.
- Technical outlook: Positive divergence
- The futures are testing the USD 3,687 support, while the move to a new low means we have a positive reversal pattern in play, warning sell side momentum could slow down; for this reason, we have a cautious approach to lower moves at these levels. A close and hold below the USD 3,287 level, supported by the RSI making a new low would warn that sell side pressure is on the increase. Likewise, market shorts should act with caution if the RSI closes and holds above its resistance line, as it would signal momentum support.