FIS

Base Morning Technical Report

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(Bloomberg) -- Copper rose for a third day, tracking gains in Asian equities after a tech-led rally on Wall Street.

The metal climbed as much as 0.4% on the London Metal Exchange, extending an advance on Monday that was the biggest in more than two weeks. Copper is benefiting from the same artificial-intelligence investment boom that's driving technology stocks to record highs, with demand from data centers and power infrastructure set to rise in the next few years.

Copper is also consolidating after hitting a record high last month, when the threat of US tariffs triggered a rush of shipments into the country and fueled concerns about tighter supplies elsewhere. The metal, along with other risk assets, has shrugged off the impact of global bond yields near multi-decade highs.

Chinese markets are closed for the Golden Week holiday, reducing trading volumes in Asian hours.

Copper rose 0.1% to $14,438 a ton on the LME by 10:42 a.m. in Singapore. Most other metals were little changed, though nickel fell 0.6%.

Singapore iron ore futures fell 0.5% to $91.30 a ton.

Copper Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	14,379	R1	14,448	14,422.5	RSI above 50	
S2	14,372	R2	14,493			
S3	14,300	R3	14,570			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- The RSI above at 50 (53)
- Stochastic is above 50
- Price is above the daily pivot point USD 14,379
- Technical Outlook: Supported
- The futures continued to hold the support area yesterday; however, we remained 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 maintained a cautious approach to lower moves while above the support zone.
- The futures have seen a move higher with price closing above the intraday 200-period MA at USD 14,323, resulting in the USD 14,448 resistance being breached. We are between the EMA resistance band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 14,379 with the RSI at or below 40 would mean price and momentum are aligned to the sell-side. Downisde moves that hold at or above USD 14,300 would support a bull argument, below this level the futures will re-enter bearish territory.
- Technical Outlook: Buyside pressure increasing
- The breach in the USD 14,448 resistance means that the probability of price trading at a new low has started to decrease, while the RSI has reclaimed the 40 and 50 levels, this suggests that buyside pressure is starting to increase, warning resistance levels could come under further pressure. Market bulls should act with caution on a close below the low of the last dominant bull candle at USD 14,356, as it would signal that sellers are becoming more prevalent.

Aluminium Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	3,081	R1	3,153	3,136		RSI below 50
S2	3,060	R2	3,174			
S3	3,027	R3	3,185			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (43)
- Stochastic is below 50
- Price is below the daily pivot point USD 3,117
- Technical outlook Previously: Positive reversal pattern
- The move to a new low yesterday meant that we had a positive reversal pattern in play (correction—divergence). This was a condition that warned sell side momentum could slow, it needed confirmation from 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 was 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 had a cautious approach to lower moves at those levels. Market buyers should act with caution if the divergence failed.
- The futures traded higher on the divergence, resulting in price closing above the trend resistance line. 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 3,117 with the RSI at or below 30.5 would mean price and momentum are aligned to the sell-side. 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: Buyside pressure is increasing
- The close above the trend resistance line is supported by the RSI reclaiming the 40 level, warning buyside pressure is on the increase, a move above the USD 3,153 fractal resistance would further support a buyers argument. We have moved higher on a positive divergence, the RSI needs to hold above the 40 level, caution is required if the RSI moves and holds below 40, as it would warn of momentum weakness, leaving support levels vulnerable. We are seeing signs of intraday bid support, if we close above the last dominant bear candle on the daily chart at USD 3,168.5, then the USD 3,234 resistance would become increasingly vulnerable.

Zinc Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	3,725	R1	3,798	3,742	Stochastic oversold	RSI below 50
S2	3,687	R2	3,811			
S3	3,641	R3	3,835			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (42)
- Stochastic is oversold
- Price is above the daily pivot point USD 3,725
- Technical outlook Previously: Positive divergence
- The futures were testing the USD 3,687 support yesterday, while the move to a new low meant that we had a positive reversal pattern in play, warning sell side momentum could slow down; for this reason, we had a cautious approach to lower moves at those levels. A close and hold below the USD 3,682 level, supported by the RSI making a new low would warn that sell side pressure was on the increase. Likewise, market shorts should act with caution if the RSI closed and held above its resistance line, as it would signal momentum support.
- The RSI close above its resistance line, resulting in a small move higher. 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 3,725 with the RSI at or above 28.5 would mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 3,884 would warn that support levels could come under further pressure.
- Technical outlook: Supported
- The RSI has broken trend resistance while price has breached the USD 3,754 fractal resistance, implying the market is witnessing buyside support. However, the RSI is at 42 but yet to produce a close and hold above the 40 level, indicating further upside is still needed for momentum to confirm we are seeing an increase in buyside pressure. If the RSI fails to hold 40 then market buyers should act with caution, as it would leave support vulnerable.