FIS

Base Morning Technical Report

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(Bloomberg) -- Copper steadied as a rally in tech-related stocks held near record highs on optimism about the artificial intelligence boom.

Contracts on the London Metal Exchange were little changed on Wednesday, reflecting broader caution across other markets. The red metal is set to receive a demand boost from data centers built for the AI industry, the same sector driving this week's gains in global stocks.

The copper market is still in consolidation mode after surging to a record last month when the threat of US tariffs on refined metal prompted a rush of supplies to America, tightening it elsewhere. Traders are awaiting the re-opening of markets in China, the world's top metal consumer, following a week-long national holiday for the next cues on price direction.

Copper futures were steady at $14,413 a ton on the LME at 9:55 a.m. Singapore time. Aluminum was 0.4% higher, while zinc added 0.1%.

Singapore iron futures fell 0.4% to $90.95 a ton.

Copper Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	14,376	R1	14,422	14,390		Stochastic overbought
S2	14,332	R2	14,493			
S3	14,302	R3	14,570			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- The RSI below at 50 (49)
- Stochastic is overbought
- Price is below the daily pivot point USD 14,422
- Technical Outlook: Buyside pressure increasing
- The breach in the USD 14,448 resistance yesterday meant that the probability of price trading at a new low had started to decrease, while the RSI had reclaimed the 40 and 50 levels, this suggested that buyside pressure was 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 were becoming more prevalent.
- Having traded at a high of USD 14,476.5 the futures have seen a small intraday pullback. Price is below the EMA resistance band with the RSI near-neutral at 49, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 14,422 with the RSI at or below 45.5 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. Downside moves that hold at or above USD 14,302 would support a bull argument, below this level the futures will re-enter bearish territory.
- Technical Outlook: Supported
- Buyside pressure in the futures has started to slow with price producing a small intraday pullback; however, we remain above the 200-peirod MA at USD 14,332 with the RSI holding above 40 and its moving average. Upside moves above the USD 14,776.5 fractal resistance would indicate buyside pressure is starting to increase again, warning that the USD 14,570 fractal high could be tested and broken. Market buyers should act with caution on a close and hold below the intraday 200-period MA that also breach the USD 14,302 support, as price would re-enter bearish territory. Price remains supported while above the 200-period MA, suggesting caution is warranted on intraday throwbacks; however, market buyers will need to push price back above the USD 14,776.5 resistance to signal bull momentum is increasing.

Aluminium Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	3,081	R1	3,174	3,139		RSI below 50
S2	3,060	R2	3,189			
S3	3,027	R3	3,200			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (45)
- Stochastic is overbought
- Price is on the daily pivot point USD 3,139
- Technical outlook Previously: Buyside pressure is increasing
- The close above the trend resistance line yesterday was supported by the RSI reclaiming the 40 level, warning buyside pressure was on the increase, a move above the USD 3,153 fractal resistance would further support a buyers argument. We had moved higher on a positive divergence, the RSI needed to hold above the 40 level, caution was required if the RSI moved and held below 40, as it would warn of momentum weakness, leaving support levels vulnerable. We were 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.
- The futures have traded above the USD 3,158.5 fractal resistance; however, we are yet to produce a close above the USD 3,168.5 level. The upside move has stalled 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 3,139 with the RSI at or below 37.5 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: Supported
- The RSI is holding above its moving average while above the 40 level, while the move above the USD 3,153 resistance implies that the futures remain supported. The futures remain below the EMA resistance band with price still needing to produce a close above the high of the last dominant daily bear candle at USD 3,168.5; if we do, then the USD 3,234 resistance would become would become vulnerable. Caution would be warranted if the RSI closes and holds below the 40 level, as it would warn support levels could be tested. Although supported, more upside is needed to produce a bull daily close and confirm higher timeframe market support.

Zinc Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	3,715	R1	3,760	3,758.5		RSI below 50
S2	3,687	R2	3,815			
S3	3,641	R3	3,835			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (47)
- Stochastic is overbought
- Price is on the daily pivot point USD 3,758
- Technical outlook Previously: Supported
- The RSI had broken trend resistance yesterday while price had breached the USD 3,754 fractal resistance, implying the market was witnessing buyside support. However, the RSI was at 42 but yet to produce a close and hold above the 40 level, indicating further upside was still needed for momentum to confirm we are seeing an increase in buyside pressure. If the RSI failed to hold 40 then market buyers should act with caution, as it would leave support vulnerable.
- The futures traded at a high of USD 3,780 before seeing a small intraday pullback. We remain below the EMA resistance band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 3,758 with the RSI at or below 36.5 would mean price and momentum are aligned to the sell side; likewise, a close above this level would mean it is aligned to the sell side. Upside moves that fail at or below USD 3,884 would warn that support levels could come under further pressure.
- Technical outlook: Inflection point
- The futures are trading just below the trend support lime at USD 3,760 while the RSI is also breaking trend support, meaning we are becoming vulnerable to an intraday pullback in the near-term. Throwbacks that hold at or above USD 3,715 would imply there is underlying support in the market, warning resistance levels could come back under pressure. The RSI is breaking trend support; however, price is the lead indicator; if we close and hold above the support line at USD 3,760, then we would look to target the 200—period MA at USD 3,843. This will be a key level on the technical, as close and hold above the would also put price above the daily 50-period SMA is at USD 3,815. While we trade around the trend support line, the futures are at an inflection point.