FIS

Base Morning Technical Report

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(Bloomberg) -- Copper headed for a weekly gain, as signs of Chinese demand and possible supply disruption at a Chilean mine boosted the metal.

Futures rose as much as 1.2% on the London Metal Exchange on Friday, gaining after trading began on the main rival Chinese bourse. Inventories in the top consumer are low following a national holiday, meaning restocking may take place in the weeks ahead. A gauge of import demand hit a four-year high.

Copper is consolidating just below record levels, supported by the threat of US import tariffs, which has lured supplies to America and tightened conditions elsewhere. Investors are also monitoring the impact of the Iran war on energy prices and broader investor appetite for risk assets, which could complicate the outlook for interest rates and economic growth.

Minutes from the Federal Reserve's September meeting showed unity around its decision to raise interest rates, which has most investors betting on an additional hike at the bank's December meeting rather than later this month. Tighter monetary policy is typically negative for copper demand.

Traders are also honing in on a strike at Antofagasta Plc's Centinela mine — one of Chile's largest — which unions say would start affecting output within two weeks. The company has maintained its production outlook.

"We remain constructive for copper, supported by supply risks, seasonal Chinese demand and continued tariff uncertainty," StoneX analysts including Natalie Scott-Gray wrote in a note. Still, downward risks remain in the form of sticky inflation and hawkish central banks, they added.

Copper rose 1.2% to $14,474.50 a ton on the LME at 10:36 a.m. in Singapore. It's on track to finish the week about 1.5% higher. All other major contracts advanced, led by tin, which added 1.5%.

Copper Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	14,415	R1	14,677	14,474	RSI above 50	
S2	14,360	R2	14,739			
S3	14,306	R3	14,801			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- The RSI above at 50 (54)
- Stochastic is below 50
- Price is above the daily pivot point USD 14,415
- Technical Outlook: Buyside pressure increasing
- The move above the USD 14,476.5 fractal resistance yesterday implied that buyside pressure was increasing; however, the futures were seeing bids fade on the European open. Throwbacks that held around the USD 14,476.5 breakout level would warn of a change of polarity, this would have bullish connotations going forward; conversely, caution will be warranted on throwbacks below USD 14,438, as the depth of the pullback would suggest that the futures could struggle to trade at a new high.
- The futures traded below the USD 14,438 level, resulting in the USD 14,332 support being breached. We are seeing bid support on the open this morning with price above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 14,415 with the RSI at or below 49.5 would mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 14,525 will warn that support levels could be tested, above this level the intraday technical would have a neutral bias.
- Technical Outlook: Neutral
- The failure to hold the upside move yesterday has resulted in the futures trading below the USD 14,332 fractal support, indicating the technical is bearish based on price, while the move below USD 14,360 would suggest that if there is a higher timeframe bullish wave cycle in play, it should now be considered as neutral. The RSI has held above the 40 level, while price has failed to hold below the intraday 200-period MA 14,350, as the daily 50-period SMA at USD 14,296 has acted as support. We identify USD 14,525 as the key near-term resistance, upside moves that fail at or below this level would suggest warn that support levels could come under pressure. Conversely, heaving seen momentum support and held the daily 50-period SMA, a move above USD 14,525 would imply the USD 14,646.5 fractal high is becoming vulnerable. When we look at the daily chart, the upside rejection yesterday means we could be looking at a larger symmetrical triangle, if this is the case, then the technical should be considered as neutral until directional bias is confirmed. This will come from a close and hold outside of the pattern.

Aluminium Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	3,047	R1	3,101	3,079	Stochastic oversold	RSI below 50
S2	3,017	R2	3,125			
S3	2,979	R3	3,156			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (38)
- Stochastic is below 50
- Price is below the daily pivot point USD 3,082
- Technical outlook Previously: Support vulnerable—Caution warranted below USD 3,091
- The upside rejection yesterday suggested that we would soon trade below the USD 3,091 fractal low; however, a down-side breakout would create a positive RSI divergence, implying caution was warranted. The divergence did not mean the futures would be a technical buy below USD 3,091, but it did warn that sell side momentum could slow. Confirma-tion from price would be needed to confirm that the divergence was being respected.
- The futures sold to a low of USD 3,041.5 before seeing bid support in the Asian day session. 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 3,082 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 with the RSI at or above 41 would mean it is aligned to the buyside. Upside moves that fail at or below USD 3,125 would warn that support levels could come under further pres-sure.
- Technical outlook: Bearish wave extension
- The move lower has created a lower timeframe Elliott wave extension, meaning intraday upside moves should be con-sidered as countertrend in the near-term, providing the USD 3,125 resistance is not breached. If we trade above USD 3,125, then the probability of price trading at a new low would start to decrease.

Zinc Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	3,687	R1	3,777	3,756	Stochastic oversold	RSI below 50
S2	3,641	R2	3,798			
S3	3,602	R3	3,821			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (49)
- Stochastic is oversold
- Price is above the daily pivot point USD 3,751
- Technical outlook Previously: Inflection point.
- The move lower yesterday had resulted in a second trend support line forming at USD 3,757, meaning we remained at an inflection point. A close below USD 3,757 would warn that the USD 3,731 support could be tested; we identify this as the key intraday support. Throwbacks that held at or above USD 3,731 would support a bull argument, below this level support level would suggest we are looking at a more complex corrective phase. On the sell side, the RSI failed at 60 and was below 50, we also failed to test the intraday 200-period MA. On the buyside. We were above a trend support line. The RSI was above a rising moving average, the futures moved higher on a positive RSI divergence. Neutral while at an inflection point.
- The futures sold at a low of USD 3,706 before seeing bid support in the Asian day session. WE re below the EMA resistance band with the RSI near-neutral at 49, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 3,751 with the RSI at or below 45.5 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: Neutral
- The move below USD 3,731 has reduced the probability of the futures trading at a new high within this phase of the cycle; countering this, the RSI has held the 40 level, implying we have momentum support. Upside moves that close and hold above trend resistance at USD 3,777 would further support a buyers argument, warning the USD 3,828.5 fractal resistance could be tested. Yesterdays move higher rejected the daily 50-period SMA at USD 3,821, making this a key area to follow. For upside continuation the futures will need to close and hold above the daily 50-period SMA.