FIS Base Morning Technical Report

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Cu/Al

(Bloomberg) -- Copper and aluminum retreated as investor angst around overheated spending on artificial-intelligence infrastructure fueled uncertainty about the demand outlook for the metals.

AI and technology stocks dropped across global markets following warnings the rapid buildout of data centers will become more difficult to finance. South Korea's equity benchmark — which has been correlated with copper prices at times this year — slumped as much as 7%.

Copper bulls argue that AI infrastructure will be a key source of demand in the coming decade, and any doubts about the pace of spending can hit trading sentiment. Still, the major driver for the red metal's 17% rally this year has been the threat of US import tariffs, which has pulled huge volumes into the country and cut availability elsewhere.

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"While not acting as the sole rationale behind the copper price performance in 2026 thus far, AI-driven sentiment is expected to continue to shape, if not dominate, the narrative in the coming years," BMI, a Fitch Solutions company, said in a note.

Copper fell 0.2% to $14,588 a ton on the London Metal Exchange as of 11:25 a.m. in Shanghai. Aluminum, which is also used in AI infrastructure, dropped 0.3% and zinc lost 0.7%. Iron ore declined 0.3% to $90.70 a ton in Singapore, touching the lowest level in two years.

Copper Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	14,535	R1	14,646	14,620.5	RSI above 50	Stochastic overbought
S2	14,489	R2	14,662			
S3	14,425	R3	14,742			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above at 50 (59)
- Stochastic is overbought
- Price is on/above the daily pivot point USD 14,616
- Technical Outlook: Neutral
- The upside moves above USD 14,525 yesterday suggested that the probability of price trading at a new low had started to decrease, warning that the USD 14,646.5 fractal high could be tested and broken. However, we noted that we looked to be in a large symmetrical triangle; a neutral pattern with price needing to close and hold outside of the converging trend lines to signal directional bias. A close and hold above USD 14,671 with volume support was needed to signal an increase in buyside pressure. Conversely, a close and hold below the trend support at USD 14,364 would be considered a bearish breakdown.
- The futures have tested but remain below the upper trend resistance at USD 14,662. Price is above the EMA support band with the RSI above 50, intraday price and momentum are conflicting, as the previous candle closed below the daily pivot level.
- A close on the 4-hour candle below USD 14,616 with the RSI at or below 55 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 below that hold at or above USD 14,425 would support a bull argument, below this level the technical would have a neutral bias.
- Technical Outlook: Neutral
- The upside move above USD 14,525 previously suggested that the probability of the futures trading at a new low has started to decrease, implying we are seeing technical support. The futures have traded above the USD 14,646.5 resistance; however, price has rejected the upper resistance line of the symmetrical triangle. The future remain supported on the open, suggesting the resistance line could come under pressure. Although supported, the new high means that we have a negative RSI divergence; this is a condition that warns buyside momentum could slow down. For upside continuation, the futures will need to close and hold above the trend resistance at USD 14,662, supported by the RSI making a new high; if the RSI fails to make a new high, price will become vulnerable to an intraday pullback.

Aluminium Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	3,017	R1	3,050	3,044	Stochastic oversold	RSI below 50
S2	2,979	R2	3,073			
S3	2,947	R3	3,110			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (37)
- Stochastic is oversold
- Price is below the daily pivot point USD 3,050
- Technical outlook Previously: Caution on downside moves
- The move to a new low yesterday meant that we were on the 5th wave of a 5-wave pattern lower, price was divergent with the RSI, meaning we had a cautious approach to lower moves. Upside moves above USD 3,094.5 would signal an increase in buyside pressure, warning the USD 3,110 resistance could be tested and broken; if it was, then the probability of price trading at a new low would start to decrease. Conversely, if rejected, then the it would warn that there could be a larger, bearish wave cycle coming into play.
- The futures traded at a high of USD 3,076 before seeing bids fade into the close. We are below all key moving averages supported by the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 3,050 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 3,110 would warn that support levels could come under further pressure, above this level the technical would have a neutral bias.
- Technical outlook: Caution on downside moves
- Unchanged on the technical this morning, the futures have seen light bid support on the positive RSI divergence, while moves below the USD 3,023 low would create a second divergence, meaning we maintain a cautious approach to lower moves at this point. Upside moves above the USD 3,094.5 fractal resistance would signal an increase in buyside pressure, warning the USD 3,110 resistance could be tested. We identify USD 3,110 as the key level to follow; if broken, then the probability of price trading at a new low would start to decrease. Conversely, a rejection of the USD 3,110 level would warn that the correction phase has the potential to become more complex, meaning we could be looking at a bearish Elliott wave extension.

Zinc Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	3,706	R1	3,778	3,743.5		RSI below 50
S2	3,687	R2	3,828.5			
S3	3,641	R3	3,835			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (45)
- Stochastic is below 50
- Price is below the daily pivot point USD 3,778
- Technical outlook Previously: Inflection point
- The futures were above the trend resistance line yesterday; however, price was testing the USD 3,795 support, meaning we were yet to see if we would hold above the trend support, indicating we were at an inflection point. A daily close and hold above the 50-period MA at USD 3,825 would signal buyside pressure is increasing. We also noted that the RSI had seen a small rejection around the 60 level, warning of potential momentum weakness. A bullish daily close would need to be supported by the intraday RSI reclaiming and holding above the 60 level. Caution was warranted on a close below the support line at USD 3,795, as the RSI rejection, coupled with a bearish lose would leave intraday support levels vulnerable.
- The futures closed below the trend support line resulting in price selling lower. We are below the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 3,778 with the RSI at or above 53 would mean price and momentum are aligned to the buy-side. Upside moves that fail at or below USD 3,884 would warn that support levels could come under further pressure.
- Technical outlook: Neutral
- Technically we remain in a corrective phase; however price is trading with the range of the downside move on the 08/10/26 between USD 3,828.5 and USD 3,706. We also note that the RSI is holding the 40 support but rejecting the 60 resistance, implying near-term price action is becoming neutral. A close and hold below USD 3,706 would leave the USD 3,682 support vulnerable; however, throw-backs below this level would create a positive RSI divergence, meaning market sellers should be cautious on downside breakouts to new lows. Conversely, for upside continuation, we will need to see a close and hold above USD 3,828.5, supported by the RSI reclaiming and holding above 60, as this would also put price above the daily 50-period SMA at USD 3,826.