FIS

Base Morning Technical Report

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Cu/Al

(Bloomberg) -- Workers at BHP Group's giant Escondida copper mine in Chile are set to begin a strike after union leaders said wage talks failed to produce an agreement before the midnight deadline.

While there's still time for a last-minute deal, a union representing more than 1,000 supervisors and staff put out a statement saying talks had broken down and a strike would begin at 8 a.m. local time Wednesday.

The stoppage by roughly a quarter of Escondida's direct employees would threaten supply from the world's biggest copper mine at a time when the mining industry is struggling to keep pace with demand growth. Near-record copper prices have emboldened workers to seek a greater share of mining profits while producers seek to contain rising costs. Two unions at Antofagasta Plc's Centinela mine in Chile are also out on strike.

Labor disputes are adding to a string of mine setbacks and weather-related interruptions in the top-producing nation, tightening the outlook for copper supply just as demand is expected to grow with investment in data centers and power grids.

The Escondida supervisors union said it submitted a final proposal incorporating 90% of the company's proposals and its own key demands, but that management declined to respond. The company's final offer is valid until midnight local time.

Besides higher salaries, the union is seeking a monthly production bonus and changes to performance evaluations.

A proposed signing bonus of around $25,500 per worker, as part of a broader benefits package, is "below market" given the company's windfall profit, union boss Alexis Barrera said in a text message. Copper futures are up about 38% over the past year.

Copper Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	14,596	R1	14,646	14,640	RSI above 50	Stochastic overbought
S2	14,540	R2	14,742			
S3	14,493	R3	14,824			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above at 50 (58)
- Stochastic is overbought
- Price is above the daily pivot point USD 14,596
- Technical Outlook: Neutral
- We noted yesterday that the upside move above USD 14,525 previously suggested that the probability of the futures trading at a new low had started to decrease, implying we are seeing technical support. The futures had traded above the USD 14,646.5 resistance; however, price had rejected the upper resistance line of the symmetrical triangle. The futures remained supported on the open, suggesting the resistance line could come back under pressure. Although supported, the new high meant that we have a negative RSI divergence; this was a condition that warned buyside momentum could slow down. For upside continuation, the futures would 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.
- The futures have retested but remain below the resistance line at USD 14,652. We are above the EMA support band with the RSI above 50, intraday price and momentum are conflicting
- A close on the 4-hour candle above USD 14,596 with the RSI at or above 61.5 would mean price and momentum are aligned to the buyside; likewise, a close above this level would mean it is aligned to the sell side. Downside moves below that hold at or above USD 14,428 would support a bull argument, below this level the technical would have a neutral bias.
- Technical Outlook: Negative RSI divergence
- The futures have traded at a high of USD 14,695 with the RSI failing to reclaim the 60 level. The new high means that we have a negative divergence with price currently failing to close above the trend resistance line, meaning we are cautious on higher moves at these levels, the RSI below 60 is also warning of potential momentum weakness. For upside continuation, price will need to close and hold above the resistance line on increased volume, supported by the RSI making new highs, failure to do ao would leave price vulnerable to a move lower.

Aluminium Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	3,017	R1	3,040	3,032.5	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 (35)
- 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 are consolidating above their lows. We are below the EMA resistance band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 3,040 with the RSI at or above 36.5 would mean price and momentum are aligned to the sell-side; likewise, a close level this level with the RSI at or below 34 would mean it is aligned to the sell side. 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 again this morning. Rhetoric unchanged. The futures are consolidating above their lows 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	3,828.5	3,734	Stochastic oversold	RSI below 50
S2	3,687	R2	3,835			
S3	3,641	R3	3,884			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (45)
- Stochastic is oversold
- Price is below the daily pivot point USD 3,738
- Technical outlook Previously: Neutral
- Technically we remained in a corrective phase yesterday; however price was trading within the range of the downside move on the 08/10/26 between USD 3,828.5 and USD 3,706. We also noted that the RSI was holding the 40 support but rejecting the 60 resistance, implying near-term price action was becoming neutral. A close and hold below USD 3,706 would leave the USD 3,682 support vulnerable; however, throwbacks 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 would 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.
- The futures remain in the consolidation box with price below the EMA resistance band supported by the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 3,738 with the RSI at or above 51 would mean price and momentum are aligned to the buy-side; likewise, a close below 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: Neutral (unchanged)
- Technically we remain in a corrective phase with price remaining within the range of the downside move on the 08/10/26 between USD 3,828.5 and USD 3,706. The RSI continues to hold above the 40 support having previously rejected the 60 resistance, implying near-term price action remains neutral. A close and hold below USD 3,706 would leave the USD 3,682 support vulnerable; however, throwbacks 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 3,827.