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(Bloomberg) -- Copper extended this year's rally on a report the incoming Trump administration will slowly ramp up trade tariffs rather than impose sizable levies in one go.

The report, based on unnamed sources, said the approach was aimed at boosting negotiating leverage and helping to avoid a spike in inflation, but the proposal is still in its early stages and hasn't been shown to President-elect Donald Trump yet. It stirred some optimism in Asian stock markets and weighed on the dollar, making commodities priced in the currency more attractive for many buyers.

Trump had floated the possibility of trade tariffs of 60% or higher on Chinese exports and levies of 10% to 20% on all imports during the presidential campaign. The prospect of gradual implementation is relatively positive for the metal, which has risen 4% this year after falling last quarter on a strengthening dollar and as China's efforts to revive growth proved largely ineffective.

China will use a broad range of stimulus measures to offset the effects of expected US tariffs and a persistent housing downturn, Goldman Sachs Group Inc. Chief economist Jan Hatzius told Bloomberg Television on Tuesday. Growth in the world's top metal importer would likely slow to 4.5% this year from a probable 5% in 2024, he said.

Copper rose 0.5% to \$9,135 a ton on the London Metal Exchange as of 11:26 a.m. in Shanghai. Zinc advanced 0.3%, aluminum added 0.2% and nickel fell 0.3%.

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,102	R1	9,194	RSI above 50	
S2	8,999	R2	9,314		
S3	8,890	R3	9,464		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- The RSI above 50 (61)
- Stochastic is above 50
- Price is above the daily pivot point USD 9,102
- Technically bullish yesterday, the probability of there being a larger, bearish Elliott wave cycle in play had started to decrease, whilst the close above the weekly 200-period EMA (USD 9,011) did support a longer-term buyer's argument. However, the futures had moved lower on a 1-hour divergence with the RSI, whilst a move back above USD 9,145 would create a second negative divergence. Not a sell signal, it warned that buy-side momentum could slow, leaving the futures vulnerable to an intraday move lower.
- The futures traded to a high of USD 9,150 yesterday before seeing a small pullback; however, we tested the USD 9,150 resistance again on the Asian open, with price remaining supported. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buy-side.
- A close on the 4-hour candle below USD 9,102 with the RSI at or below 58.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 8,890 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI is flat, implying momentum is turning neutral. As noted previously, the futures are now in divergence on the 1-and-4-hour timeframes warning buy-side momentum could slow down, leaving the futures vulnerable to an intraday move lower. Corrective moves lower that hold at or above USD 8,890 will warn that there is a larger, bullish Elliott wave cycle coming into play. A cautious bull.

Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,580.5	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (60)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,577
- Technically bullish yesterday, the MA on the RSI indicated that momentum remained supported. A move above USD 2,596 had the potential to create a negative with the RSI, not a sell signal, it warned that we could see a momentum slowdown, which needed to be monitored. Lower timeframe Elliott wave analysis suggested that downside moves look like they could be countertrend in the near-term, making USD 2,526 the key support to follow. If broken, then the probability of the futures trading to a new high would start to decrease.
- We remain supported but have not traded above the USD 2,596 resistance. Price is above all key moving averages with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,577 with the RSI at or above 63 will mean price and momentum are aligned to the buy side. Likewise, a close below this level with the RSI at or below 58.5 will mean it is aligned to the sell side. Downside moves that hold at or above USD 2,526 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI is implying that we have light momentum support. Countering this, upside moves above USD 2,596 will create a negative divergence with the RSI, not a sell signal it is a warning that we could see a momentum slowdown, meaning we have a note of caution on upside breakouts. Lower timeframe Elliott wave analysis is suggesting that downside moves look like they could be countertrend in the near-term, making USD 2,526 the key support to follow. If broken, then the probability of the futures trading to a new high will start to decrease.

Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,873		RSI below 50
S2	R2			
S3	R3			

Source Bloomberg

Synopsis - Intraday

- 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 2,875
- Technically bearish yesterday, the MA on the RSI indicating that momentum was supported. However, our Elliott wave analysis suggested that upside moves should be considered as countertrend, making USD 2,974 the key resistance to follow. If broken, then the probability of the futures trading to a new low will start to decrease. We maintain a note of caution on moves higher at that point.
- Having traded to a low of USD 2,845 the futures are now seeing light bid support. We are below all key moving averages with the RSI below 50, intraday price and momentum are aligned to the sell side, as the previous candle closed below the pivot with the RSI below its average.
- A close on the 4-hour candle above USD 2,874 with the RSI at or above 47.5 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 2,974 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Unchanged on the technical this morning. The MA on the RSI is implying that we have light momentum support, warning resistance levels remain vulnerable in the near-term. However, based on our Elliott wave analysis, we continue have a note of caution on moves higher.

Nickel Morning Technical (4-hour)



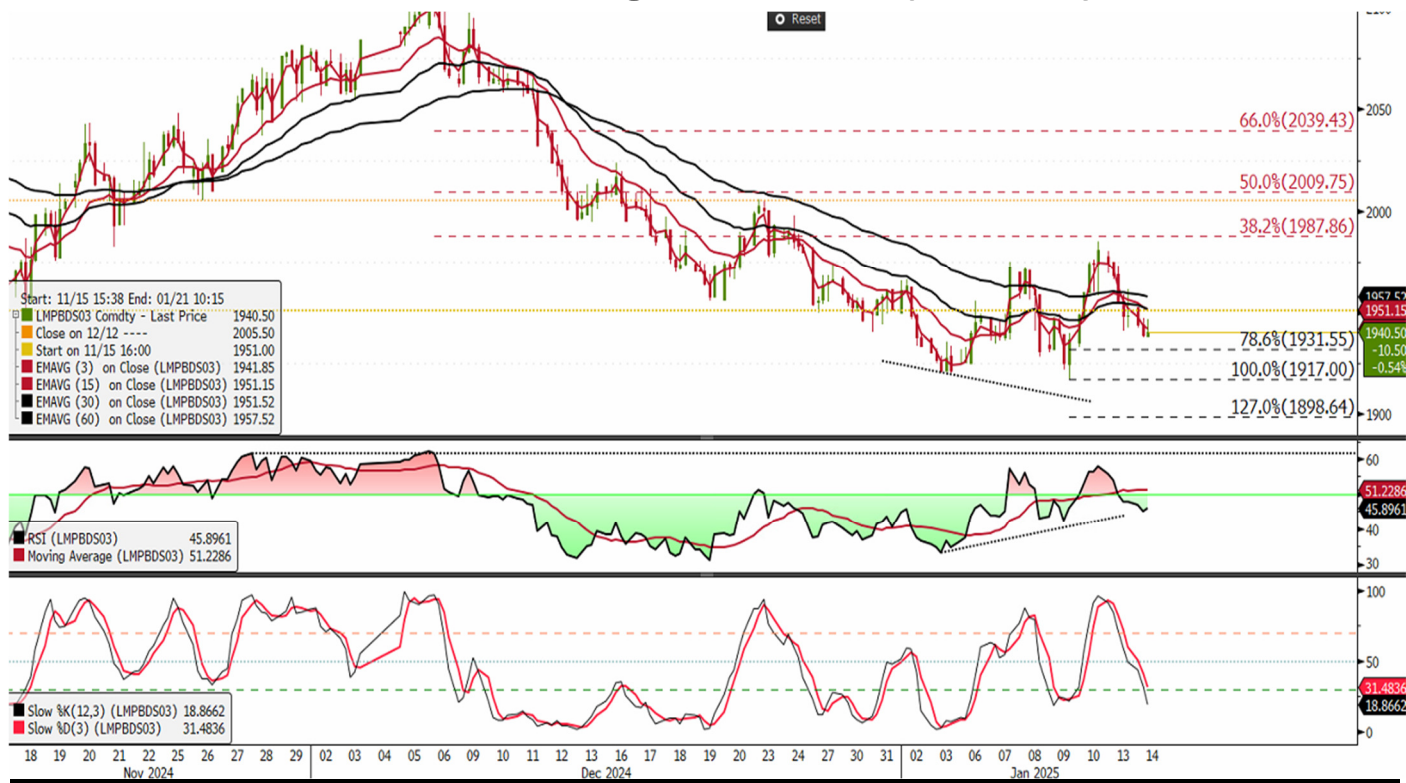
Support	Resistance	Current Price	Bull	Bear
S1	R1	15,810	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is support the EMA support band (Black EMA's)
- RSI is above 50 (63)
- Stochastic is overbought
- Price is below the daily pivot point USD 15,813
- Technically bullish yesterday, the MA on the RSI implied that momentum was supported. The 1-hour divergence had failed; however, faster moving oscillators remained overbought, meaning we remained vulnerable to an intraday pull-back. Key support was at USD 15,180; corrective moves that hold at or above this level would warn that there was further upside within cycle, if broken, then the probability of the futures trading to a new high would start to decrease. We had a note of caution on upside moves, as the futures were trading on the 200-period MA (USD 15,693).
- The futures traded above and closed above the 200-period MA (USD 15,688) resulting in price trading to a high of USD 13,920. We have seen a small pullback in the Asian day session but remain above all key moving averages. The RSI is above 50 with price and momentum aligned to the buyside, as the previous candle closed above the daily pivot level.
- A close on the 4-hour candle below USD 15,813 with the RSI at or below 60 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 15,250 will support a bull argument; if broken, then the technical will have a neutral bias.
- Technically bullish, the MA on the RSI is implying that momentum is supported. Both price and the RSI are making new highs whilst this phase of the bearish Elliott wave cycle has completed, indicating downside moves should in theory be considered as countertrend. If we do trade below USD 15,250, then the probability of the futures trading to a new high will start to decrease.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bull
S1	1,931	1,940	RSI below 50	RSI above 50
S2	1,917			
S3	1,898			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (46)
- Stochastic is below 50
- Price is below the daily point USD 1,960
- Technically bullish yesterday, we noted that this phase of the corrective Elliott wave cycle looks to have completed, meaning we are now cautious on moves lower.
- The futures have sold lower with price breaching the USD 1,960 support, we are below all key moving averages with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 1,960 with the RSI at or above 53.5 will mean price and momentum are aligned to buyside.
- Technically bullish but with a neutral bias, the probability of the futures trading to a new high has started to decrease. I am going to double down and back my Elliott wave analysis, and maintain a note of caution on moves lower, as the bear cycle looks to have completed. If we do trade to a new low (below USD 1,917), then we are obviously looking at a wave extension to the downside. The problem I have, I can't see it coming. To be clear, this does not mean that I will be proved correct, it just means I cannot see it using my wave methodology at this point.