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(Bloomberg) -- Copper is heading for a cautious close to 2025 before a more concerted move higher next year to hit \$12,000 a ton when global manufacturing is expected to recover and the US dollar weaken, according to Citigroup Inc.

Demand for the wiring metal faces headwinds in the next few months, but stands to improve from long-anticipated supply shortages next year, the bank's analysts including Max Layton and Wenyu Yao wrote in their latest quarterly outlook for commodities. Copper will average \$10,000 a ton in the fourth quarter, they said, near its current price.

"For investors and consumers able to weather near-term volatility, we recommend averaging into copper over the next three-six months to capture 20% upside" by the end of 2026, the report said.

While copper has defied some of the more bullish forecasts across the industry in the past decade, prices have still advanced as Chinese demand holds up and a rush of metal to the US earlier this year tightened the global market. A weaker dollar has also helped base metals, with LME copper up 14% this year.

Citigroup said China's copper demand growth from the increasingly important renewables sector is softening in this year's second half, while global consumption remains at risk amid still-high American interest rates and the broad impact of increased US tariffs.

Copper trimmed a weekly decline on Friday, rising 0.4% to \$9,982 a ton by 12:59 p.m. Shanghai time. Aluminum, zinc and nickel also gained.

Copper Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	9,973.5	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- The RSI below 50 (47)
- Stochastic is oversold
- Price is above the daily pivot point USD 9,839
- Technically bullish but in a corrective phase yesterday, the MA on the RSI implied that momentum was weak. Upside moves that failed at or below USD 10,101 would warn that there is further downside within the corrective phase; if broken the USD 10,192.5 fractal high would become vulnerable. Price was below the trend resistance line (USD 10,017), a close that held above this level was likely to be above the daily pivot level, warning the USD 10,101 resistance could come under pressure. We were cautious on corrective moves lower, as our Elliott wave analysis suggested downside moves should be considered as countertrend.
- The futures traded to a low of USD 9,917 before finding light bid support. We remain below the EMA support band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 9,839 with the RSI at or above 50 will mean price and momentum are aligned to the buy side; likewise, a close below this level will mean it is aligned to the sell side. Downside moves that hold at or above USD 9,847 will support a bull argument, below this level the technical will have a neutral bias.
- Unchanged on the technical this morning, we remain bullish but in a corrective phase with the MA on the RSI implying that momentum remains weak. Upside moves that close above the trend resistance and linear regression lines (USD 10,025—USD 10,059) will warn that the USD 10,098 Fibonacci resistance could come under pressure. If rejected, it will imply that there is a larger, bearish corrective move in play; conversely, above this level will imply that buy side pressure is increasing, warning the USD 10,192.5 fractal high could be tested and broken. We remain cautious on downside moves as our Elliott wave analysis continues to suggest that they should be considered as countertrend, making USD 9,847 the key support to follow. If broken, then the probability of price trading to a new high will start to decrease.

Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,696	RSI above 50	
S2	R2			
S3	R3			

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (57)
- Stochastic is at 50
- Price is above the daily pivot point USD 2,685
- Technically bullish but in a corrective phase yesterday, the MA on the RSI implied that momentum was weak. Price was below the linear regression line (USD 2,678), we noted that if we closed and held below it, then we could see the USD 2,633 support come under pressure. If broken, then the probability of the futures trading to a new high would start to decrease. However, we remained cautious on corrective moves lower, as our Elliott wave analysis suggested that they should be considered as countertrend.
- The futures closed but failed to hold below the linear regression line (USD 2,681), resulting in price moving higher into the close. 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 2,685 with the RSI at or above 62 will mean price and momentum are aligned to the buy side; likewise, a close below this level will mean it is aligned to the sell side. Downside moves that hold at or above USD 2,633 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish but in a corrective phase. The MA on the RSI implies that momentum is weak; however, the upside move into the close had volume support, warning buy side pressure is increasing. If price and momentum become aligned to the buy side, then the USD 2,720 fractal high could be tested and broken. Elliott wave analysis continues to suggest caution on downside moves, making USD 2,633 the key support to follow; if broken, then the probability of price trading to a new high will start to decrease.

Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,922	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Source Bloomberg

Synopsis - Intraday

- Price is between the EMA support band (Black EMA's)
- RSI is below 50 (49)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,923
- Technically bullish but in a corrective phase yesterday, the MA on the RSI implied that momentum remained weak, we noted that we had linear regression support at USD 2,902. A close that held below the USD 2,902 level would warn that the USD 2,838 support could come under pressure; if broken, then the probability of the futures trading to a new high would start to decrease. Conversely, upside moves that failed at or below USD 2,971 would warn that there is further downside within the technical. Intraday Elliott wave analysis suggested that downside moves should be considered as countertrend. USD 2,902 was a key support, meaning we had a note of caution on downside moves as we approached it.
- The futures traded to a low of USD 2,904.5 before finding light bid support. We are between the 8-21 period EMA's with the RSI near-neutral at 49, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,923 with the RSI at or above 56.5 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 2,838 will support a bull argument, below this level the technical will have a neutral bias.
- The futures remain bullish but in a corrective phase with the MA on the RSI implying momentum is weak. We have found light support on the linear-regression line (USD 2,906), a close the holds below the line will indicate that sell side pressure is increasing, warning the USD 2,838 Fibonacci support could come under pressure. If broken, then the probability of price trading to a new high will start to decrease. As noted previously, our Elliott wave analysis suggest that downside moves should be considered as countertrend; however, upside moves that fail at or below USD 2,969 will warn that there could be further downside within this corrective phase. We continue to have a note of caution on downside moves whilst above the linear regression support.

Nickel Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	15,218	R1	15,421	15,290	RSI above 50	
S2	15,157	R2	15,546			
S3	15,055	R3	15,680			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (51)
- Stochastic is below 50
- Price is above the daily pivot point USD 15,292
- The downside move below USD 15,218 yesterday meant that the futures were bullish but with a neutral bias; however, the move lower had been followed by price trading above the USD 15,421 level within two candles. In theory, we were back in bull territory, but the whipsaw reaction between support and resistance implied indecision, meaning we maintained a neutral bias. Due to the upside move above USD 15,421, we continued to have key support at USD 15,218 and the 200-period MA at USD 15,220. We noted that if we held above the support zone highlighted, then we could still see another move higher. If we did, it would signal a potential bullish Elliott wave extension. The MA on the RSI implied momentum was weak, warning support could come under pressure, the whipsaw between support and resistance meant that we remained neutral.
- The futures sold lower on the weak momentum; however, we have held above the 200-period MA at this point (USD 15,211), resulting in price finding light bid support into the close. We are above the EMA support band with the RSI near-neutral at 51, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 15,292 with the RSI at or above 53.5 will mean price and momentum are aligned to the buy side; likewise, a close below this level will mean it is aligned to the sell side. Upside moves that fail at or below USD 15,421 will leave the futures vulnerable to further tests to the downside, above this level the technical will be back in bullish territory.
- Technically bullish with a neutral bias, the probability of price trading to a new high has started to decrease; however, the futures have tested and held above the intraday 200-period MA (USD 15,211). We mark this support as more important than the Fibonacci support at USD 15,218 (as they are so close together), whilst above the average, resistance remains vulnerable; conversely, a close that holds below the average will warn that the USD 15,055 low could come under pressure. As noted previously, the lower timeframe wave cycle looks to have completed, meaning upside moves above USD 15,535 will signal a bullish Elliott wave extension, this also suggests caution on higher moves at this point. This technical is conflicting between the 200-period average and the wave cycle, meaning we maintain a neutral bias; however, we highlight that the MA on the RSI is implying momentum is weak, warning support levels are still vulnerable at this point.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,012	RSI above 50	
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (57)
- Stochastic is above 50
- Price is below the daily point USD 2,007
- The futures continued to hold the support zone yesterday with price trading to a high of USD 2,014.5 previously. We noted that upside moves above this level would warn that the USD 2,020 fractal high and USD 2,023 Fibonacci resistance could be tested and broken. Whilst above the support zone, resistance levels remain vulnerable. Our intraday Elliott wave analysis continued to suggest that downside moves should be considered as countertrend.
- The futures traded to a high of USD 2,016 before seeing bids fade; however, we have moved higher in the Asian day session. We remain above all key moving averages 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 above USD 2,007 with the RSI at or above 58 will mean price and momentum are aligned to the buyside. Likewise, a close below this level with the RSI at or below 52.5 will mean it is aligned to the sell side. Downside moves that hold at or above USD 1,988 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the futures continue to hold above the support zone, warning resistance levels are vulnerable. our intraday Elliott wave analysis continues to suggest that downside moves should be considered as countertrend. A close that holds below the intraday 200-period MA USD 1,994 will that sell side pressure is increasing, whilst below USD 1,988 the probability of the futures trading to a new high will start to decrease.