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(Bloomberg) -- Copper headed for its biggest weekly gain in five months after a global supply crunch intensified due to a spate of production setbacks.

Prices reached an intraday high of \$10,289.50 a ton on the London Metal Exchange, on track for a 2.7% weekly gain. Traders were eying the impact of a deadly accident at Freeport-McMoRan Inc.'s huge Grasberg mine in Indonesia, which saw the company declare force majeure on contracted supplies, and the shut down of a Hudbay Minerals Inc. mill in Peru this week. "The copper market has been, and continues to be, jolted by supply-side issues this year," said Olga Savina, a commodities analyst at BMI, a Fitch Solutions company. "We expect any prolonged supply setbacks to further strengthen the bullish narrative for copper throughout the remainder of this year and possibly into 2026."

The incidents at the mines are the latest in a series of disruptions to ore supply and show how vulnerable the market is to shocks. Still, at the same time, China is rapidly expanding global copper-smelting capacity and is torpedoing the fees processors can charge.

China's top copper smelters are now urging authorities to tighten control over new capacity. They've warned that cut-throat competition has driven processing fees to historical lows, threatening the industry's health.

Copper was little changed at \$10,263.50 a ton at 10:22 a.m. Singapore time. Other main LME metals were mixed, with aluminum up slightly and nickel down.

Meanwhile, iron ore futures in Singapore fell 0.8% to \$105 a ton, while yuan-priced futures on the Dalian exchange dropped 0.7%.

Copper Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	10,205	R1	10,328	10,250	RSI above 50	
S2	10,115	R2	10,413			
S3	10,044	R3	10,546			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (60)
- Stochastic is above 50
- Price is below the daily pivot point USD 10,328
- Technically bullish yesterday, price and the RSI were making new highs, suggesting downside moves should be considered as countertrend in the near-term, making USD 10,074 the key support to follow. Below this level the probability of the futures trading to a new high would start to decrease. We noted that it was not really a technical market yesterday, suggesting focus should be on the news wire.
- Having traded to a high of USD 10,485 the futures have entered a corrective phase. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are now conflicting.
- A close on the 4-hour candle below USD 10,328 with the RSI at or below 58 will mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is aligned to the buyside. Downside moves that hold at or above USD 10,115 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish but in a corrective phase. The close below the low of the high candle warns that buyside pressure is easing; however, the upside move previously was matched by the RSI, which also made new highs. The momentum strength alongside price warns that the intraday move lower that we are seeing has the potential to be countertrend, making USD 10,115 the key support to follow; if broken, then the probability of the futures trading to a new high will start to decrease.

Aluminium Morning Technical (4-hour)



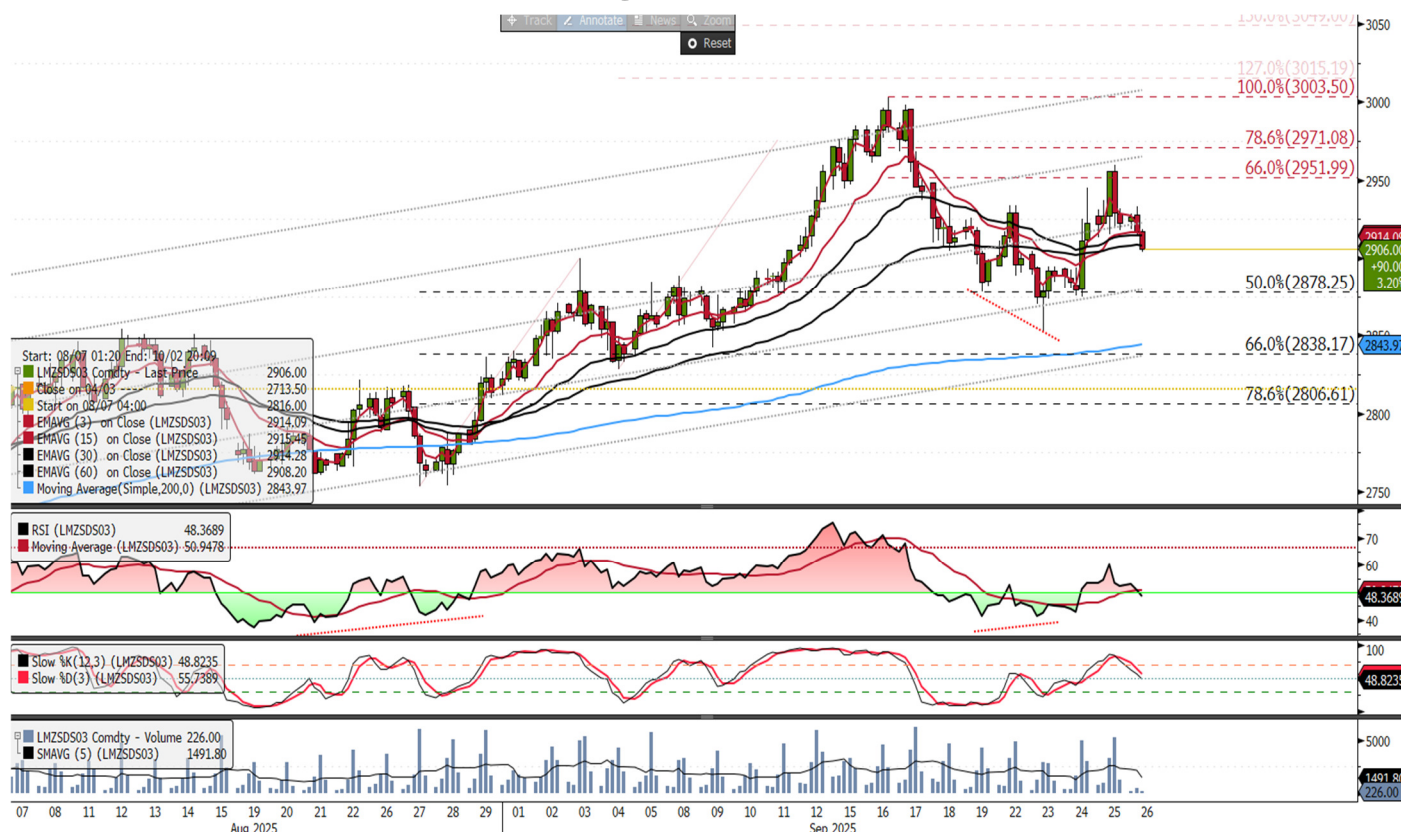
Support		Resistance		Current Price	Bull	Bear
S1	2,655	R1	2,673	2,657		RSI below 50
S2	2,633	R2	2,688			
S3	2,622	R3	2,699			

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (49)
- Stochastic is overbought
- Price is below the daily pivot point USD 2,655
- Technically bearish with a neutral bias yesterday, due to the depth of the pullback the probability of the futures trading to a new high had started to decrease. However, we had found bid support on a lower timeframe divergence, resulting in a high volume bull candle. Our lower timeframe corrective phase also looked like it has completed, suggesting resistance levels could come under pressure, meaning we were cautious on corrective moves lower. Although we had a deep pullback, the technical warned that resistance levels were vulnerable. For downside continuation, we needed to see a close that holds below the intraday 200-period MA (USD 2,620).
- Sideways action yesterday with price trading just below the EMA support band. The RSI is near neutral with price and momentum are conflicting.
- A close on the 4-hour candle below USD 2,655 with the RSI at or below 44 will mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is aligned to the buy side. Upside moves that fail at or below USD 2,688 will leave the futures vulnerable to further tests to the downside, above this level the technical will be back in bullish territory.
- Technically bearish with a neutral bias, the MA on the RSI implies momentum is supported. As highlighted yesterday, the depth of the pullback suggests that the probability of the futures trading to a new high has started to decrease. However, the corrective phase looks like it has potentially completed, whilst price has found bid support on a high volume candle on a lower timeframe divergence, meaning we are now cautious on corrective moves lower.

Zinc Morning Technical (4-hour)



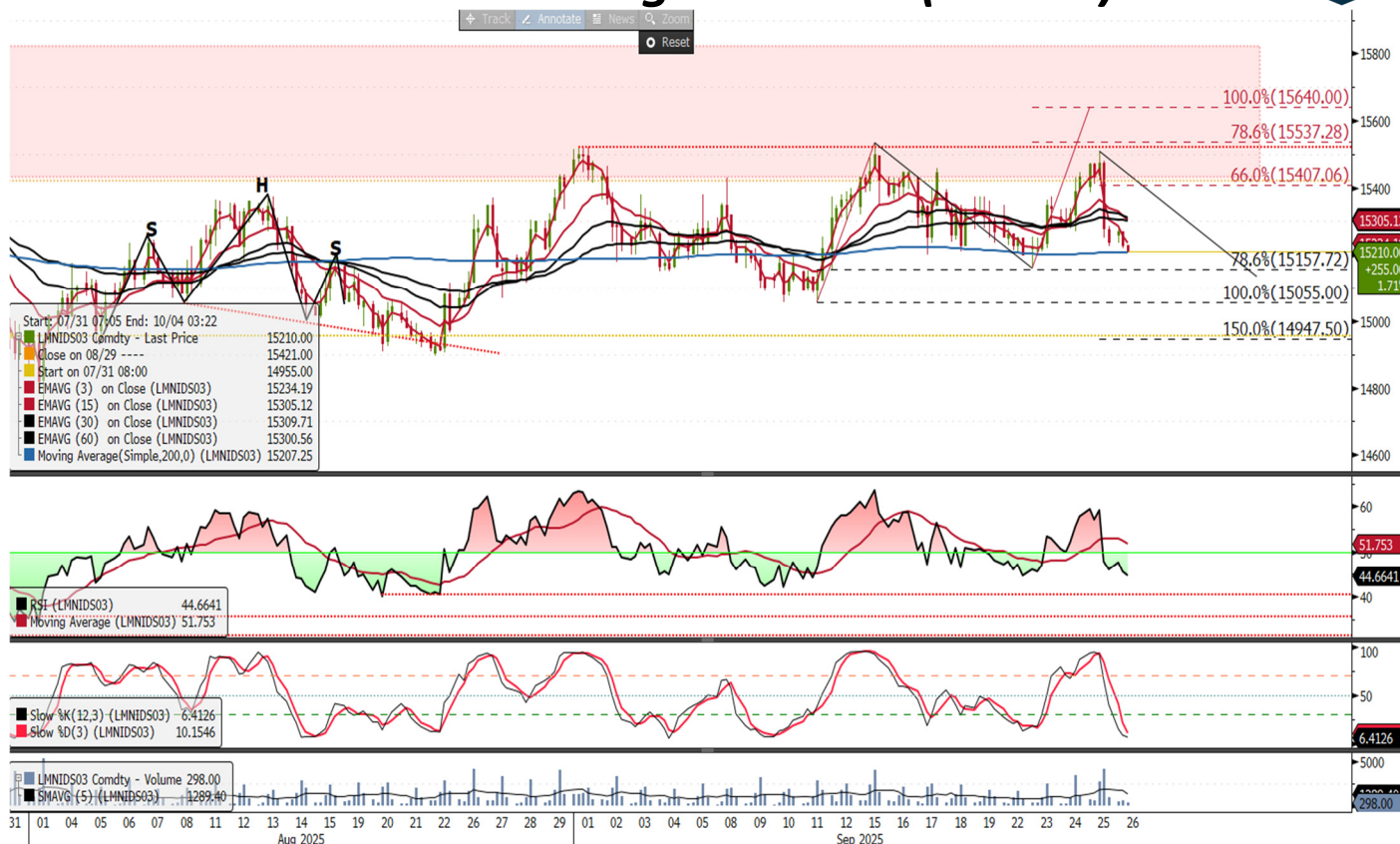
	Support	Resistance	Current Price	Bull	Bear
S1	2,878	R1	2,933		RSI below 50
S2	2,852	R2	2,951		
S3	2,838	R3	2,971		

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (48)
- Stochastic is above 50
- Price is below the daily pivot point USD 2,933
- Technically bullish yesterday, the MA on the RSI implied that we were seeing light momentum support. Price was above the linear regression line (USD 2,917), we noted that if we hold above this level then it will warn that the USD 2,951 resistance could be tested. If broken, market bulls would target the USD 3,003.5 fractal high; conversely, a rejection at or below this level will warn that there could be a more complex corrective phase coming into play.
- The futures traded to a high of USD 2,960 before entering a corrective phase. We are below the EMA support 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 2,933 with the RSI at or above 53 will mean price and momentum are aligned to the buyside. 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.
- Technically bullish, the upside move above the USD 2,951 resistance suggests that downside moves should in theory be countertrend. The RSI is below its average; however, the MA on the RSI still implies that momentum is supported at this point. If price and momentum become aligned to the buyside, it will signal buyside pressure is increasing, warning resistance level will become vulnerable. Key support is at USD 2,838, below this level the probability of the futures trading to a new high will start to decrease. However, USD 2,836 is two standard deviations below the linear regression line, if tested, it will warn that the futures are overextended to the downside. Of the two support levels, USD 2,836 holds more weight than USD 2,838.

Nickel Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	15,207	R1	15,338	15,210	Stochastic oversold	RSI below 50
S2	15,157	R2	15,407			
S3	15,055	R3	15,462			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (44)
- Stochastic is oversold
- Price is below the daily pivot point USD 15,338
- Technically bullish yesterday, the MA on the RSI implied that momentum was supported with the futures approaching a double top formation between USD 15,520—USD 15,535, suggesting caution as we approach this area. However, we noted that we had the daily 200-period EMA at USD 15,466, meaning we were at an inflection point. If we closed and held above the USD 15,466 level on the daily timeframe, it would further support a buyers argument. With price at a higher timeframe inflection point, we have a more neutral bias, but we did have a note of caution on upside moves due to the intraday double top.
- The futures failed to close above the daily 200-period MA with the double top formation not tested (USD 15,535—USD 15,537), resulting in price selling below the USD 15,267 support. WE are below the EMA support 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 15,388 with the RSI at or above 54 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 15,407 will leave support levels vulnerable, above this level the technical will be back in bullish territory.
- Bullish with a neutral bias, the probability of the futures trading to a new high has started to decrease, whilst the double top rejection means we are now cautious on upside moves at this point. The futures are now testing the intraday 200-period MA (USD 15,207), meaning we are at an intraday inflection point. If we hold above the average, the futures will be vulnerable to an intraday move higher; however, a close that holds below it will encourage market sellers to test the USD 15,160 and USD 15,055 fractal support levels. The technical suggests caution on intraday moves higher.

Lead Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	1,992	R1	2,010	2,001.5		RSI below 50
S2	1,988	R2	2,012			
S3	1,982	R3	2,020			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA support band (Black EMA's)
- RSI is below 50 (49)
- Stochastic is at 50
- Price is below the daily point USD 2,010
- Technically bullish yesterday, if we look at the daily chart we can see that the futures are consolidating above the 200-period MA (USD 1,989). Whilst above the average, resistance will remain vulnerable; however, if we closed and held below it, market buyers would need to be cautious. Price action on the daily chart is neutral due to the consolidation.
- The futures traded to a high of USD 2,018; however, the move has failed to hold, resulting in price selling lower. We are between the EMA support band 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 2,010 with the RSI at or above 55 will mean price and momentum are aligned to the buy 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.
- The futures remain bullish but in a corrective phase; however, as noted yesterday, daily price action remains neutral. Whilst above the daily 200-period MA (USD 1,988) resistance levels remain vulnerable; however, for upside continuation that futures will need to close and hold above the USD 2,020 fractal high. Conversely, a close below the average will indicate sell side pressure is increasing. With random price action on the intraday technical (key support and resistance levels have recently been broken) we will continue to focus on daily price levels.