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(Bloomberg) -- Copper and other industrial metals retreated on concerns about credit quality in the US and renewed tensions between Washington and Beijing.

The metal, seen as a bellwether for the global economy given its widespread industrial use, fell 0.7% on the London Metal Exchange on Friday. That pared the week's gain to 0.4%, after it touched \$11,000 a ton the prior week — the highest intra-day level since May 2024 — on supply concerns.

Wider markets were jolted on Thursday when two US regional lenders said they were victims of fraud on loans linked to distressed commercial mortgages, fueling concerns over borrowers' creditworthiness. That added to fears around a reigniting trade war between the US and China, with China's Commerce Minister Wang Wentao blaming Washington for a recent escalation. A dearth of US economic data during the government shutdown is also adding to uncertainty.

Copper was down 0.8% to \$10,567 a ton as of 11:33 a.m. in Beijing. Zinc fell as much as 0.6% to \$2,951.50 a ton, while most other base metals on the exchange also declined.

Iron ore futures fell 0.7% to \$104.25 a ton in Singapore, as yuan-denominated futures on the Dalian exchange also dropped.

Copper Morning Technical (4-hour)



Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- The RSI below 50 (47)
- Stochastic is below 50
- Price is below the daily pivot point USD 10,600
- Technically bullish but in a corrective phase yesterday, our Elliott wave analysis suggested that downside moves should be considered as countertrend, making USD 10,285 the key support to follow. Below this level the probability of the futures trading to a new high would start to decrease. Near-term price action was neutral due to a symmetrical triangle forming; a close that held below the trend support line (USD 10,554) would leave support levels vulnerable. Conversely, upside moves that closed and held above USD 10,726 resistance line would indicate that buy-side pressure was increasing. We noted that an upside breakout should in theory need volume support if it was to hold.
- The futures remained in the symmetrical triangle yesterday; however, we have seen a small move lower in the Asian day session. 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 10,600 with the RSI at or above 52 will mean price and momentum are aligned to the buy-side. Downside moves that hold at or above USD 10,285 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish but in a corrective phase, the move below trend support (USD 10,614) warns that support levels could come under pressure in the near-term. Conversely, a close that holds back above the upper trend resistance line (USD 10,669) will imply buy-side support is entering the market. We should note that the futures are approaching the Apex of the triangle, making the pattern less reliable. As highlighted previously, our Elliott wave analysis continues to suggest that downside moves should be considered as countertrend, making USD 10,285 the key support to follow. Below this level the probability of the futures trading to a new high within this phase of the cycle will start to decrease. We are seeing early signs of technical weakness, but maintain a cautious view on downside moves.

Aluminium Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	2,774	R1	2,806	2,788	RSI above 50	Stochastic overbought
S2	2,739	R2	2,815			
S3	2,718	R3	2,846			

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 2,774
- Unchanged on the technical yesterday, we remained bullish with our Elliott wave analysis suggesting downside moves should be considered as countertrend, making USD 2,689 the key support to follow. Below this level the probability of the futures trading to a new high would start to decrease. As highlighted previously, above the USD 2,778.5 fractal resistance would imply that buy-side pressure was increasing, leaving the USD 2,807.5 fractal high vulnerable. We continued to be cautious on downside moves at that point, as the technical suggested that they could struggle to hold.
- The futures have moved higher in line with our Elliott wave analysis. 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 2,774 with the RSI at or below 53.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,689 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI implies that momentum is supported. The upside move above the USD 2,778.5 warns that the USD 2,807.5 fractal high could be tested and broken; if it is, it will confirm that the futures are on a bullish impulse wave 5 for this phase of the cycle. Fibonacci projection levels suggest that we have the potential upside target at USD 2,877; however, above USD 2,807.5 will create a negative divergence with the RSI, not a sell signal, it is a warning that we could see a momentum slowdown. We also note that USD 2,806 is two standard deviations above the linear regression line, creating further resistance at the fractal high. We are bullish, but have a note of caution on upside breakouts.

Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,953.5		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 above 50
- Price is below the daily pivot point USD 2,963
- Bullish but in a corrective phase yesterday, the MA on the RSI implied that momentum remained weak, warning the USD 2,911.5 fractal low remained vulnerable in the near-term. We also highlighted the rising channel that was starting to look like a bear flag, a downside breakout below trend support (USD 2,939) would warn that the fractal low could be tested and broken. However, as highlighted previously, our Elliott wave analysis suggested that downside moves should be considered as countertrend, whilst we also had the 200-period MA at USD 2,009, suggesting a caution downside breakouts below USD 2,911.5
- The futures remain in the rising channel with price below the EMA resistance band. The RSI is below 50 whilst price and momentum are conflicting.
- A close on the 4-hour candle below USD 2,963 with the RSI at or below 42.5 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. Downside moves that hold at or above USD 2,836 will support a bull argument, below this level the technical would have a neutral bias.
- Unchanged on the technical this morning, we remain bullish but in a corrective phase, the MA on the RSI implies that momentum is now supported. However, we remain in the rising channel which looks like a bear flag, a close that holds below trend support (USD 2,951) will warn that the fractal low could be tested and broken. However, as highlighted previously, our Elliott wave analysis suggests that downside moves should be considered as countertrend, whilst below USD 2,711.5 the futures will be divergent with the RSI, warning we could see a momentum slowdown. We also note that we have the 200-period MA at USD 2,013, suggesting caution downside breakouts below USD 2,911.5, as the technical suggest that they could struggle to hold. The bear flag suggests that support levels remain vulnerable at this point; however we are cautious on downside breakouts.

Nickel Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	15,100	R1	15,229	15,215		RSI below 50
S2	15,076	R2	15,275			
S3	14,928	R3	15,298			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (47)
- Stochastic is above 50
- Price is below the daily pivot point USD 15,229
- Technically bearish yesterday, the futures had tested but held just above the USD 15,100 fractal support, creating a double bottom in the market. Price was moving higher with the MA on the RSI implying momentum was supported, technically we were seeing buyside support in the market. A close above the trend resistance line and 200-period MA (USD 15,264—USD 15,266) would indicate buyside pressure was increasing, warning the USD 15,433 Fibonacci resistance could come under pressure. USD 15,433 was a key level on the technical, if rejected it would warn that there could be a larger, bearish corrective wave in play; conversely, if broken, then the probability of the futures trading to a new low would start to decrease. We were cautious on downside breakouts below USD 15,100 in the near-term, as it would trigger lower timeframe divergences.
- The futures continue to find resistance at the trend resistance line/200-period MA (USD 15,273—USD 15,267) resulting in a small move lower. 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 below USD 15,229 with the RSI at or below 43 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. Upside moves that fail at or below USD 15,443 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the MA on the RSI implies that momentum is supported. The upside rejection of the resistance line/200-period MA warns that the USD 2,100 fractal low remains vulnerable; however, below this level the futures will be in divergence with the RSI. Not a buy signal, it is a warning that we could see a momentum slowdown, which will need to be monitored. Conversely, a close that holds above the USD 15,273 level will warn that the USD 15,443 resistance could come under pressure. This remains a key resistance on the technical; if rejected, it will warn that there could be a larger, bearish corrective phase in play. Likewise, above this level the probability of the futures trading to a new low will start to decrease. The rejection on the resistance line leaves support vulnerable; however, we continue to be cautious on downside breakouts.

Lead Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	1,962	R1	1,973	1,970.5	Stochastic oversold	RSI below 50
S2	1,953	R2	1,985			
S3	1,941	R3	1,997			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (34)
- Stochastic is oversold
- Price is below the daily point USD 1,973
- Technically bearish yesterday, the upside rejection warned that the USD 1,975 fractal low could be tested and broken. However, we were cautious on downside breakouts below this level, as the futures would be in divergence with the RSI. Not a but signal, it warned that we could see a momentum slowdown, which needed to be monitored.
- The futures have sold to a new low, we are below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 1,973 with the RSI at or above 42 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 1,985 will leave the futures vulnerbale to further tests to the downside, above this level the technical will have a neutral bias. key longer term resistance is at USD 2,017, upside moves that fail at or below this level will warn that they could be a larger bearish Elliott wave cycle in play.
- Technically bearish, the new low means that futures are in divergence with the RSI; not a buy signal it is a warning that we could see a momentum slowdown, meaning we are cautious on downside moves at these levels. Upside moves above USD 1,985 will warn that the probability of the futures trading to a new low has started to decrease. A cautious bear, the divergence warns that resistance levels are starting to look vulnerable.

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