

Cu

(Bloomberg) -- Goldman Sachs Group Inc. injected some caution into the debate over copper's prospects, saying its surge past \$11,000 a ton will prove short-lived as there's still more than enough metal to meet global demand.

"Most of the recent copper price increase is based on expectation of future market tightness, rather than current fundamentals," the bank's analysts, including Aurelia Waltham, wrote in a note. "We do not expect the current breakout above \$11,000 to be sustained."

Copper marched to a record of \$11,540 a ton on the London Metal Exchange on Wednesday, fueled by worries of a global supply squeeze as the metal is rushed to the US before tariffs are imposed. Trading house Mercuria Energy Group Ltd. stoked that trade last week with a warning of "extreme" supply dislocations.

Read More: Mercuria Metals Boss Says 'This Is the Big One' for Copper Bulls

While Goldman raised its forecast for copper in the first half of next year and said the US tariff trade would support prices, the bank suggested "critically low" inventories outside America could be avoided via higher regional premiums and tighter LME spreads. Demand will fall about half a million tons short of supply this year, and there won't be a copper shortage until 2029, it said.

"While our much smaller 2026 surplus of 160,000 tons moves the market closer to balanced, it means that we do not expect the global copper market to enter a shortage any time soon," the analysts wrote. Prices will be "constricted" in a range between \$10,000 and \$11,000 a ton in 2026, they said.

Copper edged higher on the LME on Thursday, rising 0.1% to \$11,498 a ton on the LME by 1:40 p.m. in Singapore to extend its gain for this year to 31%. Mining stocks in Asia-Pacific followed the metal higher, with Hong Kong's CMOC Group Ltd. up 6% and Australian-listed Capstone Copper rising as much as 8.2%, among others.

"The rally has just started, we remain bullish on copper prices," said Li Xuezhi, head of research at Chaos Ternary Futures, a unit of a commodities hedge fund in Shanghai. A huge withdrawal of metal from LME warehouses on Wednesday "fueled immediate worries about a supply squeeze," he said.

Still, copper has long been the subject of bold forecasts that have fallen short of reality. And while a series of outages at major mines through 2026 has piled pressure on supply, the world's appetite for copper has also slowed more recently despite obvious bright spots like green technologies.

Activity in the copper's pivotal China market in particular has plunged in recent months. Goldman said it's expecting a slump in Chinese consumption of nearly 8% year-on-year in the fourth quarter. Next year should see growth of 2.8%, it said.

Copper Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	11,679.5	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI is above 50 (70)
- Stochastic is overbought
- Price is above the daily pivot point USD 11,438
- Technically bullish yesterday, the upside move to a new high meant that we had a minor negative divergence with the RSI. Not a sell signal, it warned that we could see a momentum slowdown, which needed to be monitored. High volume bull candles supported the upside move yesterday, whilst lower timeframe Elliott wave analysis continued to suggest that intraday downside moves had the potential to be countertrend, making USD 11,279 the key support to follow. If broken, then the probability of price trading to a new high would start to decrease. There were warning signs that the Elliott wave cycle could extend; however, despite the high volume move, this was not yet confirmed. Market bulls should be cautious on a 4-hour close below the low of the last dominant bull candle (USD 11,345), as it would warn that sell side pressure was increasing, leaving the USD 11,279 support vulnerable.
- The futures sold to a low of USD 11,335 but failed to close below the low of the last dominant bull candle, resulting in price breaking to the upside this morning. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 11,438 with the RSI at or below 63.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 11,335 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the futures are seeing a bullish Elliott wave extension; however, the extension is not where we had expected, as it is in the move from the low on the 01/12, not the 21/11. This means intraday downside moves are still considered as countertrend, making USD 11,335 the key support to follow. If broken, then the probability of the futures trading to new high will start to decrease. Note: we could still see a lower timeframe extension from the low on the 21/11, but at this point it is still not confirmed.

Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,915.5	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 2,897
- The upside move previously had created a small Elliott wave extension on the lower timeframe; however, the new high meant that we have a negative divergence with the RSI. Not a sell signal, it warned that we could see a momentum slowdown, which needed to be monitored. As highlighted previously, the futures were yet to trade above the USD 2,920 fractal high, warning that there could be a larger bull cycle in play, making USD 2,816 the key support to follow. Below this level the probability of price trading to a new high would start to decrease. We continued to be cautious on upside moves at those levels.
- Having sold to a low of USD 2,877.35 yesterday the futures found bid support into the close on a high volume bull support candle. This has resulted in price moving higher again this morning, creating a second small wave extension on the move that started on the 02/12. 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 2,897 with the RSI at or below 56 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,820 will support a bull argument, below this level the technical will be back in bearish territory.
- Technically bullish, the lower timeframe Elliott wave extension suggests that the USD 2,920 fractal high will be broken within this Elliott wave cycle. Price is still in divergent, which needs to be monitored, as it warns buy side momentum could slow. If we close below the low of the bull support candle from yesterday (USD 2,877.5), it will indicate that sell side pressure is increasing, warning the USD 2,820 support could be tested. This is a key level on the technical, if broken, then the probability of the futures trading to a new high will start to decrease. Note: the lower timeframe Elliott wave extension warns that downside moves have the potential to be countertrend in the very near-term.

Zinc Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	3,088	R1	3,131	3,112	RSI above 50	Stochastic overbought
S2	3,079	R2	3,156			
S3	3,077	R3	3,189			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (61)
- Stochastic is overbought
- Price is above the daily pivot point USD 3,077
- Unchanged on the technical yesterday, the MA on the RSI implied that momentum was weak, whilst we looked to have completed a lower timeframe bullish Elliott wave cycle. As highlighted previously, with price remaining below the USD 3,115 fractal high, the technical warned that there could be a larger bull cycle in play, making USD 3,005 the key support to follow. If broken, then the probability of the futures trading to a new high would start to decrease. With price remaining in a corrective phase, intraday support levels remained vulnerable in the near-term.
- The futures sold to a low of USD 3,038.5; however, price held trend support, resulting in the futures moving above the USD 3,115 fractal high. 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 3,077 with the RSI at or below 54.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 3,066 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI implies that we have light momentum support. Our interpretation of the Elliott wave cycle has been that we looked to have completed a 5 wave pattern higher. The three wave corrective pattern that was followed by a new high, suggest that the lower timeframe 5 now becomes a higher timeframe 1, meaning the corrective pattern was two. If our interpretation is correct, then we are on a higher timeframe 3 of this phase of the cycle, this has bullish implications going forward, meaning downside moves should be considered as countertrend. Key support is at USD 3,066, below this level the probability of the futures trading to a new high will start to decrease, bringing into question our interpretation of the Elliott wave count. We are divergent with the RSI, but if we are correct, this divergence has a higher probability of failing.