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(Bloomberg) -- Copper extended a powerful rally after bursting through \$13,000 a ton for the first time, as investors bet on a tighter market.

Three-month futures surged as much as 3.1% to a record \$13,387.50 a ton in London on Tuesday, surpassing a peak set on Monday. Concerns that the Trump administration may introduce a tariff on refined metal have drawn holdings into the US, potentially leaving the rest of the world short.

"Inventories used to act as a buffer, but now they're locked in the US," Li Xuezhi, head of research at Chaos Ternary Futures Co., said by phone. "So the buffer is gone and everyone will have to scramble."

Base metals have made a very strong start to 2026, with the LME Index that tracks the main six including copper surging to the highest level since March 2022, when the sector peaked. The red metal — used in wires and cables — has now racked up a gain of more than 20% since late November, while aluminum has rallied to the highest level in more than three years.

President Donald Trump fueled a rush to ship copper to the US in the first half of last year, before choosing to exempt refined metal from tariffs, prompting a pause. The trade then revived in recent months as a plan to revisit the question of levies caused local prices once again to trade at a premium. US copper imports in December jumped to the highest since July.

"The logic behind this rally remains," said Li. "We need to track the trend and not get fixated on absolute price levels."

The prospect of US import curbs, as well as optimism about demand given copper's role in high-growth sectors like renewable energy, data centers and power grids, have fueled a wave of optimistic calls. Among them, Kostas Bintas, high-profile head of metals at Mercuria Energy Group Ltd., warned in a November interview that the import rush would leave the rest of the world without copper, predicting "this is the big one" for bulls.

Trump has directed the Department of Commerce to deliver an update on US copper markets by the end of this coming June, at which point a decision on tariffs for refined metal is expected. The department had earlier proposed a 15% levy starting in 2027, rising to 30% in 2028, but the White House has not confirmed that timeline.

The volume of copper now stored in the US has ballooned, with volumes in Comex-tracked warehouses alone now at more than half a million short tons after 44 straight days of net inflows. The tonnage in LME sheds has nearly halved over the past year, but is still higher than a recent low in June

Copper Morning Technical (4-hour)



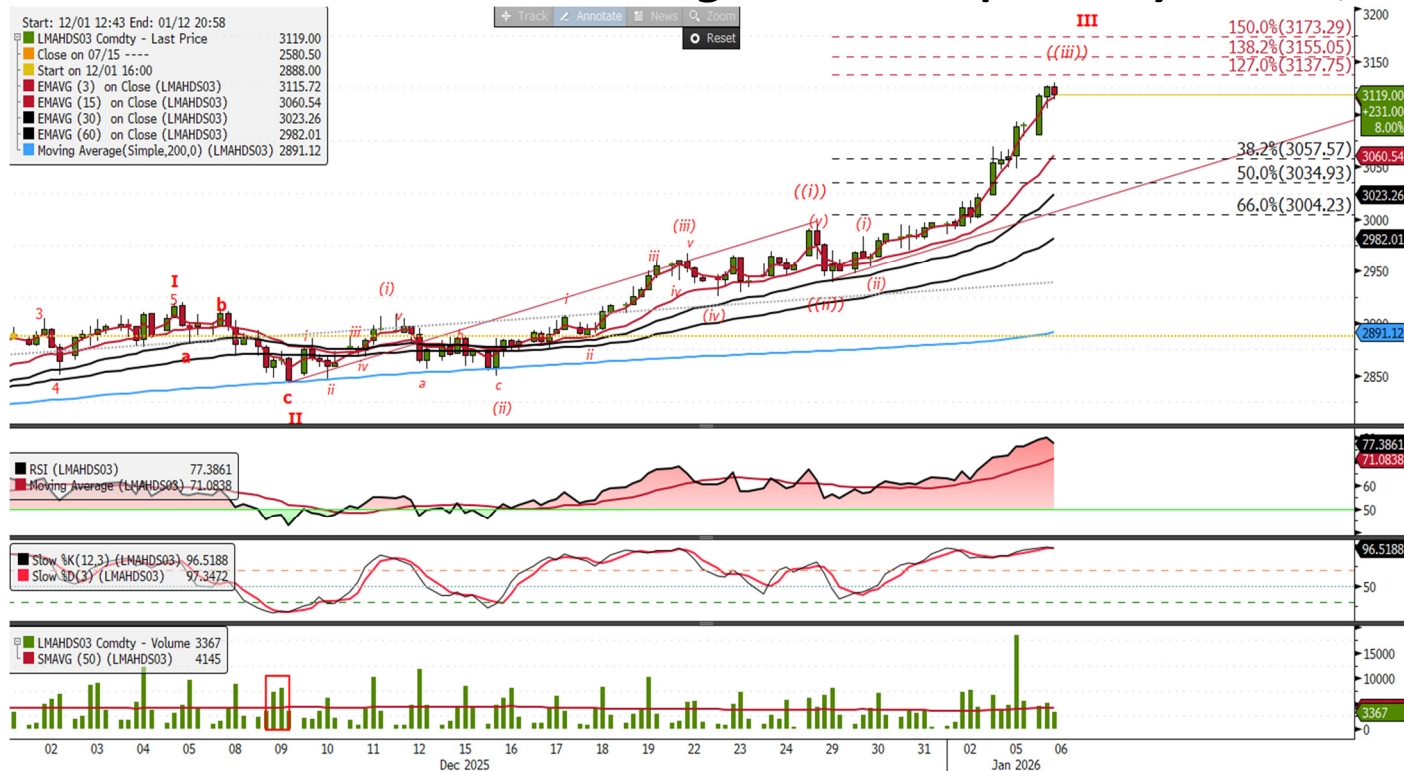
| | Support | Resistance | Current Price | Bull | Bear |
|----|---------|------------|---------------|-----------------|-----------------------|
| S1 | 12,870 | R1 | 13,598 | RSI is above 50 | Stochastic overbought |
| S2 | 12,647 | R2 | 13,994 | | |
| S3 | 12,419 | R3 | 14,497 | | |

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI is above 50 (71)
- Stochastic is overbought
- Price is above the daily pivot point USD 12,870
- Technically bullish yesterday, the move lower on the 29/12 failed to confirm that it was a lower timeframe corrective Elliott wave 4, we noted that if we traded above the USD 12,960 fractal high, it would indicate that we had seen a bullish wave extension. Downside moves should be considered as countertrend at that point, making USD 12,394 the key near-term support to follow. A move below this level before we traded above the USD 12,960 high would imply that price remains within a corrective phase.
- The futures traded to a new high confirming the lower timeframe bullish Elliott wave extension. 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 12,870 with the RSI at or below 62 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 12,109 will support a bull argument, below this level the technical will have a neutral bias. Note: Fibonacci support is revised lower in line with the larger wave extension.
- Technically bullish, the MA on the RSI implies that momentum is supported, whilst Elliott wave analysis indicates that downside moves should be considered as countertrend, making USD 12,109 the key support to follow. Below this level the probability of the futures trading to a new high will start to decrease. The RSI is divergent with price, this will need to be monitored, as it warn that buyside momentum could slow down.

Aluminium Morning Technical (4-hour)



| Support | | Resistance | | Current Price | Bull | Bear |
|---------|-------|------------|-------|---------------|--------------|-----------------------|
| S1 | 3,067 | R1 | 3,137 | 3,119 | RSI above 50 | Stochastic overbought |
| S2 | 3,057 | R2 | 3,155 | | | |
| S3 | 3,034 | R3 | 3,173 | | | |

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (76)
- Stochastic is overbought
- Price is above the daily pivot point USD 3,067
- Technically bullish yesterday, the upside move had resulted in a lower timeframe Elliott wave extension (count adjusted on chart). Technically, our analysis remains the same, as downside moves were still considered as countertrend. The MA on the RSI implied that momentum was supported, whilst the upside move had volume support, implying the USD 3,096 resistance could be tested and broken. Key support was at USD 2,984, if broken, then the probability of the futures trading to a new high would start to decrease.
- The futures continued to trade higher with price remaining 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 3,067 with the RSI at or below 69 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 3,004 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, whilst Elliott wave analysis suggests that downside moves should be considered as countertrend, making USD 3,004 the key support to follow. If broken, then the probability of the futures trading to a new high will start to decrease. A close below the low of the last high volume dominant bull candle (USD 3,080.5) will imply buyside pressure is decreasing, warning Fibonacci support could come under pressure in the near-term.

Zinc Morning Technical (4-hour)



| Support | Resistance | Current Price | Bull | Bear |
|---------|------------|---------------|--------------|-----------------------|
| S1 | R1 | 3,255.5 | RSI above 50 | Stochastic overbought |
| S2 | R2 | | | |
| S3 | R3 | | | |

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (70)
- Stochastic is overbought
- Price is above the daily pivot point USD 3,181
- Technically bearish with a neutral bias yesterday, the MA on the RSI implied that we had light momentum support. The upside move above USD 3,156 meant that the probability of the futures trading to a new low had started to decrease, warning we could potentially be entering a bullish higher timeframe Elliott wave cycle. Corrective moves that held at or above USD 3,081 would further support a buyer's argument; if broken, then price would be back in bear territory. We were neutral but highlighted that the technical condition looked to be strengthening.
- The futures have traded to a new high, confirming we are in a higher timeframe bullish Elliott wave cycle. 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 3,181 with the RSI at or below 58.5 will mean price and momentum are aligned to the side. Downside moves that hold at or above USD 3,109 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 futures have entered a higher timeframe bullish Elliott wave cycle, meaning downside moves should be considered as countertrend, making USD 3,109 the key support to follow. If broken, then the probability of price trading to a new high will start to decrease.