

Metals

(Bloomberg) -- The rally in base metals this year could soon run into headwinds as soaring prices and bullish sentiment clash with the reality of softer demand from manufacturers, especially in China, according to Goldman Sachs Group Inc.

"The real producers on the ground, they start to respond negatively," Trina Chen, co-head of equity research, said in a Bloomberg Television interview. "We're seeing some pullback in demand."

Trina Chen, Co-Head of Greater China Equity Research and China Basic Materials and Agriculture Analyst at Goldman Sachs, discusses metals. She speaks with Stephen Engle from the sidelines of the Goldman Sachs Global Macro Conference Asia Pacific in Hong Kong.

Metals from copper to aluminum have powered higher in the opening weeks of 2026, as global investors pile into industrial commodities in bets on tighter supply, a weaker US dollar, and Federal Reserve interest-rate cuts. Still, more cautious analysts have flagged weaker activity in China.

Goldman's most recent survey of the copper market showed order books at fabricators had fallen by 10% to 30% as users in industries from consumer electronics to hardware pulled back, Chen said.

"Even grid orders are slowing," she said, referring to electricity networks that are a mainstay of copper consumption in China, Asia's largest economy.

The LME Index — a catch-all measure of the main six materials traded on the London Metal Exchange — has climbed by about 7% this year. That's left the guage within touching distance of the record set in 2022.

Benchmark copper rose to as much as \$13,247 a ton on the LME, a little below the record set earlier this month. Aluminum notched a three-year high in London, while the metal in Shanghai rose to an all-time high.

Copper Morning Technical (4-hour)



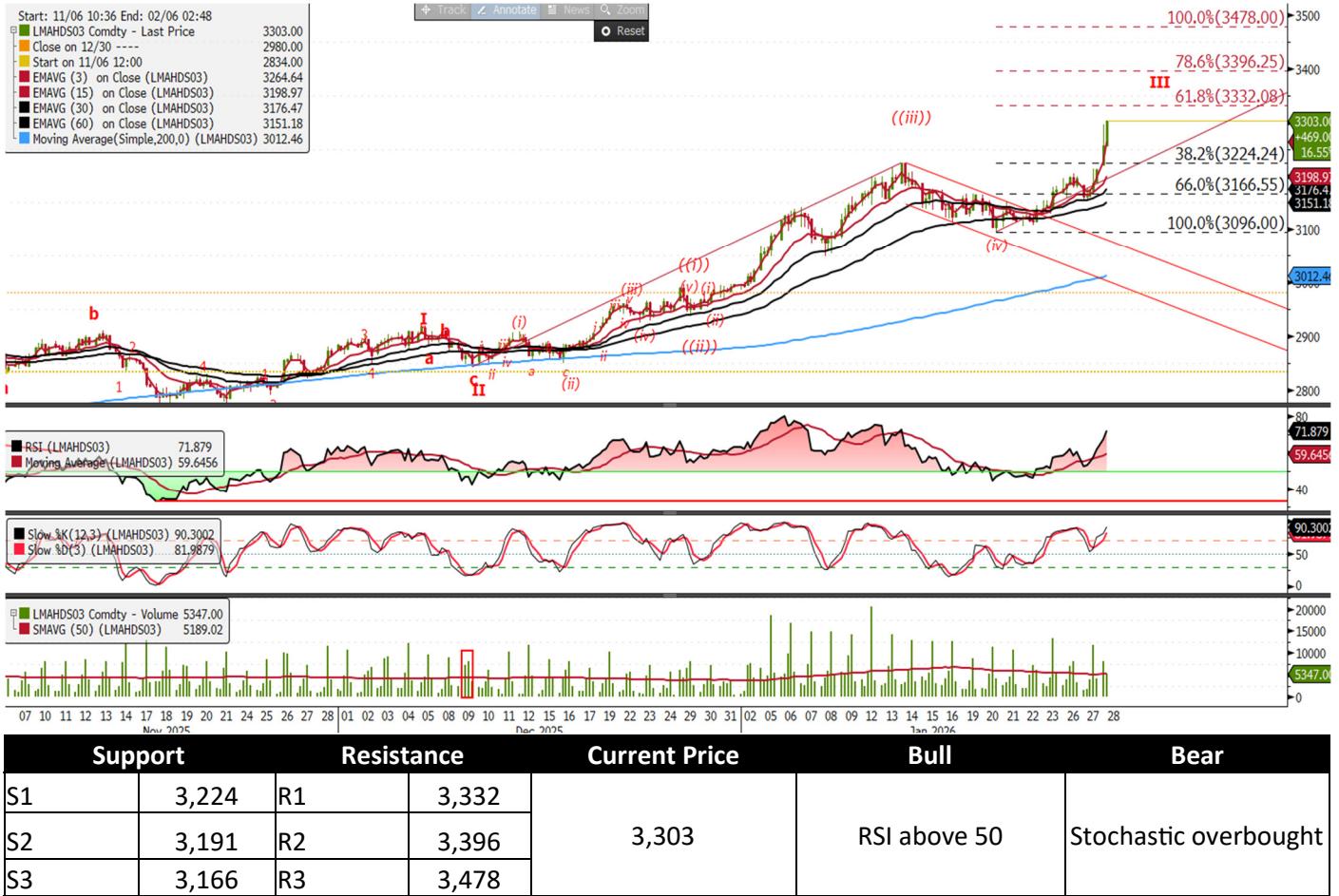
Support	Resistance	Current Price	Bull	Bear
S1 13,028	R1 13,407	13,195.5	RSI above 50	
S2 13,014	R2 13,485			
S3 12,855	R3 13,713			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI is above 50 (56)
- Stochastic is below 50
- Price is above the daily pivot point USD 13,014
- Technical outlook on Friday: bullish. The breakout from the pattern the previous day had volume support, while the breach of the USD 13,139 resistance level suggested that the probability of price making a new low had begun to decrease. In addition, the RSI moving average pointed to strengthening momentum. From a technical perspective, price action had returned to bullish territory. However, buyers entering on the breakout should remain cautious: as a 4-hour close that held below USD 12,973 would place price back within the rectangular range, signaling a return to neutral conditions.
- Having traded to a high of USD 13,311 the futures traded lower but held above the USD 12,855 support. 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 below USD 13,014 with the RSI at or below 53 will mean price and momentum are aligned to the sell side. Likewise, a close above this level with the RSI at or above 57.5 will mean it is aligned to the buy side. Downside moves that hold at or above USD 12,855 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: bullish.
- The downside move into the rectangular pattern yesterday held the USD 12,855 level, resulting in price moving higher, implying underlying support in the market. At this point, we still look to be in the early stages of a bullish impulse wave 5; however, a break below USD 12,855 would suggest that price remains in corrective Elliott wave C of 4. If price and momentum become aligned to the buy side it will imply bid support, warning the USD 13,311—USD 13,407 fractal resistance levels could be tested and broken. USD 12,855 is the key support to monitor.

Aluminium Morning Technical (4-hour)



Source Bloomberg

Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (71)
- Stochastic is overbought
- Price is above the daily pivot point USD 3,191
- Technical outlook on Friday: bullish throwback. The close above the USD 3,146.5 level alongside the breach in the USD 3,181 resistance implied that buyside pressure had increased, suggesting the futures could be entering a bullish impulse wave 5, indicating the USD 3,225 fractal high was becoming vulnerable. We maintained a cautious approach on corrective moves lower based on our Elliott wave analysis.
- The futures have traded to a new high, 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 3,191 with the RSI at or below 57.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 3,166 will support a bull argument, below this level the technical will have a neutral bias, suggesting we could be entering a higher timeframe corrective wave 4.
- Technical outlook: bullish
- The futures have traded to a new high confirming that price has entered a bullish impulse wave 5. The RSI was in divergence, dating back to the 14/01/26, this will need to be monitored, as it warns that buy side momentum could slow down. However, the RSI has broken near-term resistance on the upside moves, alongside volume support, implying intraday downside moves should still be considered as countertrend in the near-term.

Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	3,336	R1	3,406	
S2	3,324	R2	3,472	
S3	3,293	R3	3,557	Stochastic overbought

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (66)
- Stochastic is overbought
- Price is above the daily pivot point USD 3,336
- Technical outlook previously: Bearish. A cautious bear previously, the futures had moved higher with price trading in the Fibonacci resistance zone. The depth of the initial pullback had been deep, meaning the probability of price achieving new highs had been reduced, suggesting upside moves should in theory be counter-trend, meaning we were now cautious on higher moves providing we did not trade above the USD 3,290 resistance. If we did, then we become neutral.
- The futures have continued to trade higher resulting in the futures breaking the USD 3,290 resistance and trading to new highs. 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 3,336 with the RSI at or below 51 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 3,252 will support a near-term bull argument, below this level the technical will have a neutral bias.
- Technical outlook. Cautious bull.
- The move to a new high keeps price action bullish, consistent with a broader Elliott wave 3 scenario. That said, the wave structure is not clean, so caution is warranted when assessing the current sub-wave development. A minor divergence on declining volume is present, signaling potential exhaustion and leaving price vulnerable to an intraday pullback. From a price-based perspective: A close below USD 3,299.5 would shift the futures bias to bearish, while a break below USD 3,252 would classify the pullback as deep, reducing the probability of a move to new highs. Conversely, a corrective move that holds at or above USD 3,252 would suggest underlying support remains intact, keeping the broader bullish structure in play.