

## Metals

(Bloomberg) -- Copper surged by the most in more than 16 years as metals extended a dramatic start to the year fueled by a wave of intense speculative trading in China.

Investors are piling into base metals on the Shanghai Futures Exchange on expectations for stronger US growth and more spending on data centers, robotics and power infrastructure. That's spurring global prices higher, with copper soaring as much as 7.9% on the London Metal Exchange to a record high of \$14,125 a ton.

The Shanghai bourse is China's top commodities trading platform, and periodic bouts of high-volume trading on the exchange have often triggered major moves across global markets. January was already the busiest month on record for the SHFE's six base metals as of last week, and copper racked up its second-biggest daily trading volumes ever on Thursday.

"This is all driven by speculative funds," said Yan Weijun, head of nonferrous metals research at Chinese trader Xiamen C&D Inc. "It's likely all Chinese money given the surge is in Asian hours."

It's been an eye-watering few weeks for commodities, which have been aided by a sinking US dollar, rising demand for real, physical assets, and elevated geopolitical tensions as the Trump administration follows a more assertive foreign policy. Most recently, speculation that the next Federal Reserve chief will be more dovish than Jerome Powell has aided the rally.

In addition to copper — a material that is vital to the energy transition — precious metals have hit all-time highs. Even crude oil, which was weighed down last year by concerns about a worldwide glut, has risen in recent weeks.

"Commodities are taking turns to rally," said Eric Liu, deputy general manager of ASK Resources Co. "Copper has been hovering around \$13,000 and funds have been brewing over the metal for some time."

Copper jumped 6.4% to \$13,922.50 a ton on the LME as of 8:19 a.m. London time. Its intraday move was the biggest since 2009 — when China was rolling out massive stimulus measures in the aftermath of the great financial crisis. SHFE futures closed up 5.8% at 109,110 yuan (\$15,707) a ton. Other metals rallied, with aluminum rising 1.8% and zinc advancing 3.3% in London.

Fed Chair Powell talked up a "clear improvement" in the US economic outlook as the bank kept borrowing costs on hold on Wednesday. His tenure ends in June, after which President Donald Trump may be better positioned to step up his campaign for lower rates.

"Under the cycle in which the US maintains interest-rate cuts, the expectation for upward movement in copper prices has not changed," said Chi Kai, chief investment officer at Shanghai Cosine Capital Management Partnership. "As for how high prices can rise, there is no clear expectation as long as the US continues to push AI, chips and power construction."

Investors have been flocking in particular to metals needed in major growth markets. Tesla Inc.'s plan to spend \$20 billion this year shifting resources to robotics and AI has underscored investment prospects. Copper, aluminum and tin would all be beneficiaries.

But more traditional commodities also benefited, with iron ore futures in Singapore gaining 2.2% to \$105.10 a ton.

The broad-based advance in metals came after a gauge of the US currency sank to its lowest level in more than four years, with Trump signaling he was unconcerned by the weakness. That slide makes commodities more attractive for many buyers.

There are plenty of voices warning that the spectacular gains in metals have run ahead of real-world demand. There's likely a "technical adjustment" coming as physical buyers in China balk at higher prices, Goldman Sachs Group Inc. co-head of China equities Trina Chen told Bloomberg TV on Wednesday..

# Copper Morning Technical (4-hour)



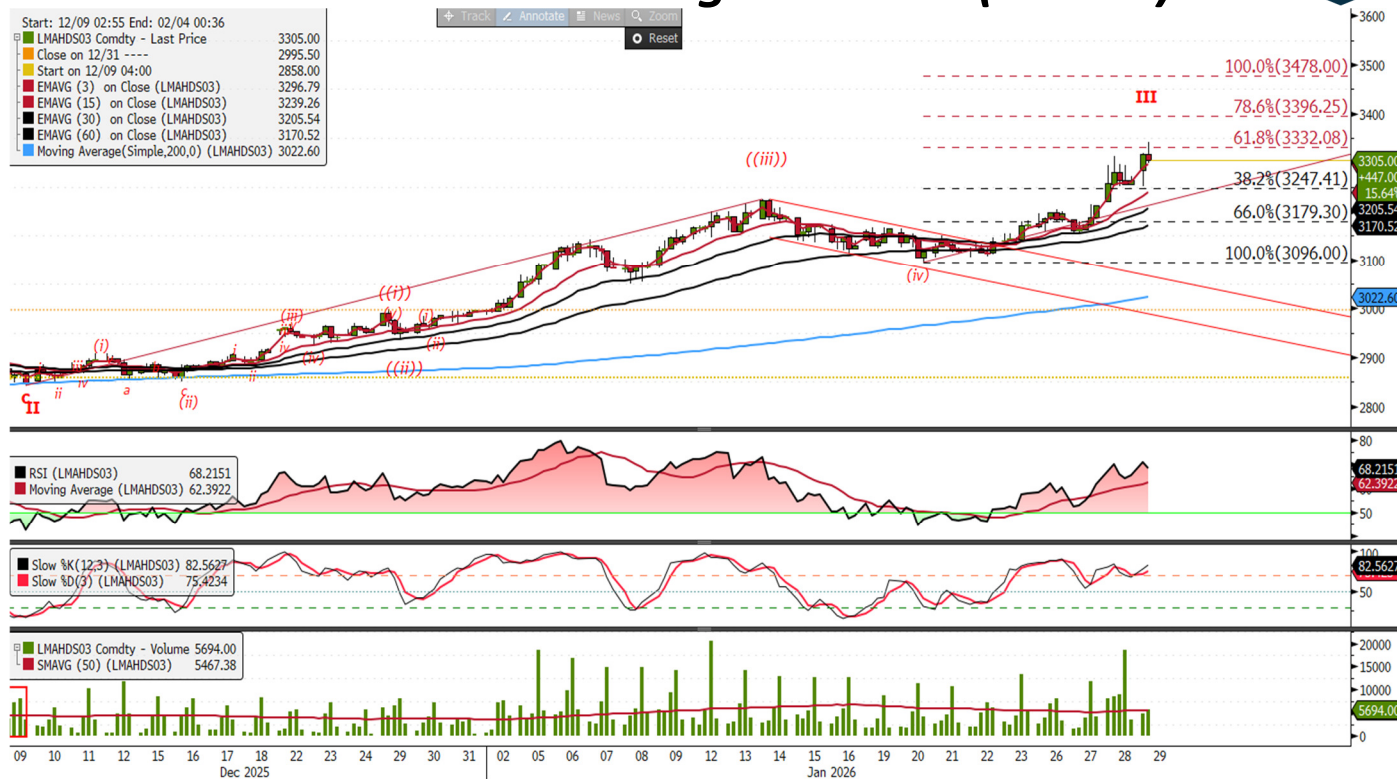
Support	Resistance	Current Price	Bull	Bear
S1	R1	14,013	RSI above 50	
S2	R2			
S3	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI is above 50 (72)
- Stochastic is above 50
- Price is above the daily pivot point USD 13,126
- Technical outlook Wednesday: 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 that point, we still looked to be in the early stages of a bullish impulse wave 5; however, a break below USD 12,855 would suggest that price remained 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 was the key support to monitor.
- The futures held the USD 12,855 support yesterday. It has been an interesting open as price saw a small gap higher before rallying over USD 1,000 on very high volume (26,000 lots). 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 13,126 with the RSI at or below 54 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 13,311 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: bullish.
- The futures have made new highs alongside the RSI, on a very high volume move. Technically, downside moves should be considered as countertrend, providing we hold above the USD 13,311 support. In terms of Elliott wave, starting on the lowest cycle, we look to be on a 3, of a higher 5, of a higher 3.

# Aluminium Morning Technical (4-hour)



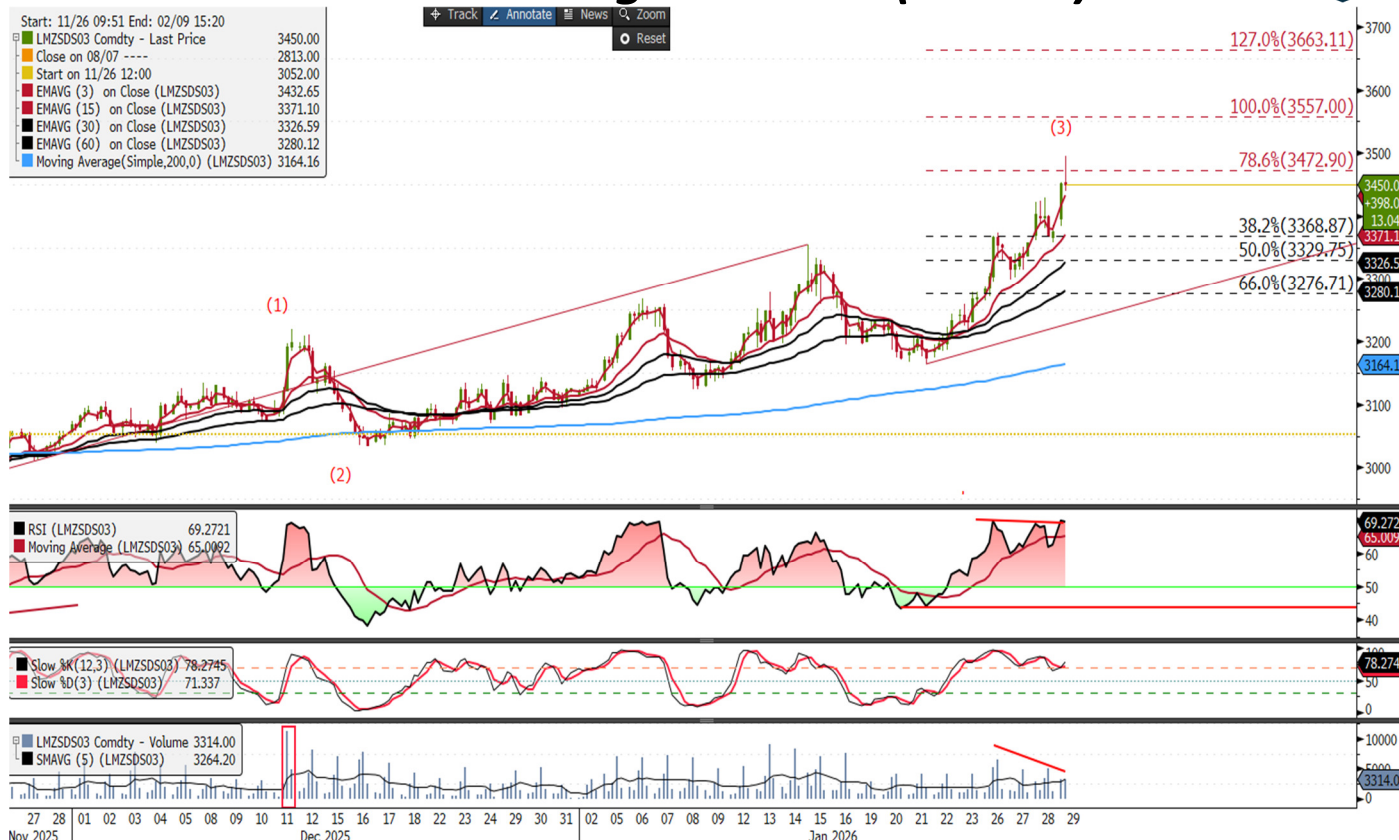
Support		Resistance		Current Price	Bull	Bear
S1	3,263	R1	3,332	3,305	RSI above 50	Stochastic overbought
S2	3,247	R2	3,396			
S3	3,179	R3	3,478			

Source Bloomberg

## Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (68)
- Stochastic is overbought
- Price is above the daily pivot point USD 3,263
- Technical outlook on Wednesday: Bullish. The futures had traded to a new high confirming that price had entered a bullish impulse wave 5. The RSI was in divergence, dating back to the 14/01/26, this needed to be monitored, as it warned that buy side momentum could slow down. However, we noted that the RSI had broken near-term resistance on the upside move, alongside volume support, implying intraday downside moves should still be considered as countertrend in the near-term.
- The futures continue to move 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 3,263 with the RSI at or below 60 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 3,179 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 remain supported having traded to a new high on the open. As highlighted yesterday, the RSI had broken near-term resistance on the move higher, implying we have witnessed a lower timeframe Elliott wave extension, suggesting intraday downside moves should be considered as countertrend, making USD 3,179 the key support to follow. If broken, it will signal that we could potentially be entering a higher timeframe Elliott wave 4.

# Zinc Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	3,383	R1	3,472	3,450	RSI above 50	Stochastic overbought
S2	3,368	R2	3,557			
S3	3,329	R3	3,663			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (69)
- Stochastic is overbought
- Price is above the daily pivot point USD 3,383
- Technical outlook Wednesday: Cautious bull. The move to a new high kept price action bullish yesterday, consistent with a broader Elliott wave 3 scenario. That said, the wave structure was not clean, so caution was warranted when assessing the current sub-wave development. A minor divergence on declining volume was 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 held at or above USD 3,252 would suggest underlying support remains intact, keeping the broader bullish structure in play.
- The futures have traded higher in line with the broader base complex; however, price is starting to see some sell side pressure having achieved a high of USD 3,495.5 on the open. 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 3,383 with the RSI at or below 63 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 3,276 will support a near-term bull argument, below this level the technical will have a neutral bias.
- Technical outlook. Cautious bull.
- The futures are moving higher with a small uptick in volume yesterday; however, although volume remains subdued the RSI has made a new high, warning intraday downside moves could be countertrend in the near-term. The broader technical structure remains bullish, while intraday downside moves should be considered as countertrend. However, we will maintain a note of caution due to the low volume, and suggest monitoring for rejection candle or momentum slow-downs based on price.