

## Copper

(Bloomberg) -- China wants more copper in its state stockpiles, according to a senior metals industry official, a move that would add to upward pressure on prices and highlight a growing push by governments to bolster supply security.

The country will expand the size of its strategic copper reserves and also work with major state-owned producers to boost commercial inventories, Duan Shaofu, deputy secretary general of the China Nonferrous Metals Industry Association, said at a press conference on Tuesday.

The plan comes just days after copper prices spiked to a record high, and is the latest sign that copper is becoming even more of a strategic asset as major economies fret about supply-chain risks. The Trump administration unveiled a major commodity stockpiling program earlier this week.

China is aware that other countries are also seeking to stockpile key industrial metals, and any move by Beijing "could partly be intended as a signal that China is doubling down on its metals supply-chain security," said Helen Amos, commodities analyst at BMO Capital Markets. The comments are "sure to add fire to the copper rally," she said.

Copper in London rose as much as 4.6% after the comments, which were delivered at an annual review of sector developments by the Chinese industry association. That extends a period of intense volatility as bullish sentiment swept through metals market before giving way to a sharp selloff.

China already maintains strategic stockpiles of commodities such as copper, oil and cobalt to support industrial activity and protect Asia's biggest economy from supply disruptions. It taps those reserves to stabilize commodity prices and ease raw material cost pressures on companies. Commercial inventories are mostly held by traders.

US President Donald Trump unveiled "Project Vault" on Monday — a planned \$12 billion fund aimed at building strategic mineral reserves to insulate manufacturers and slash America's reliance on Chinese supplies. Copper wasn't explicitly mentioned, though the metal was classified as a critical mineral last year.

Investors have piled into precious and base metals amid doubts over the US dollar and a shift away from currencies and sovereign bonds, fueling sharp rallies across the commodities sector. Some analysts have also pointed to a potential geopolitical premium for copper given growing competition for resources.

Copper was up 4.1% to \$13,423 a ton as of 8:49 a.m. London time. Prices surged more than 40% in 2025 and — even after the wild swings of recent days — is up about 8% this year.

China will provide interest subsidy to smelters to build commercial inventories, Shanghai Securities News reported separately, citing comments from Duan at the briefing. The country is also assessing the possibility of adding copper concentrate into its reserves, Duan said, without elaborating.

# Copper Morning Technical (4-hour)



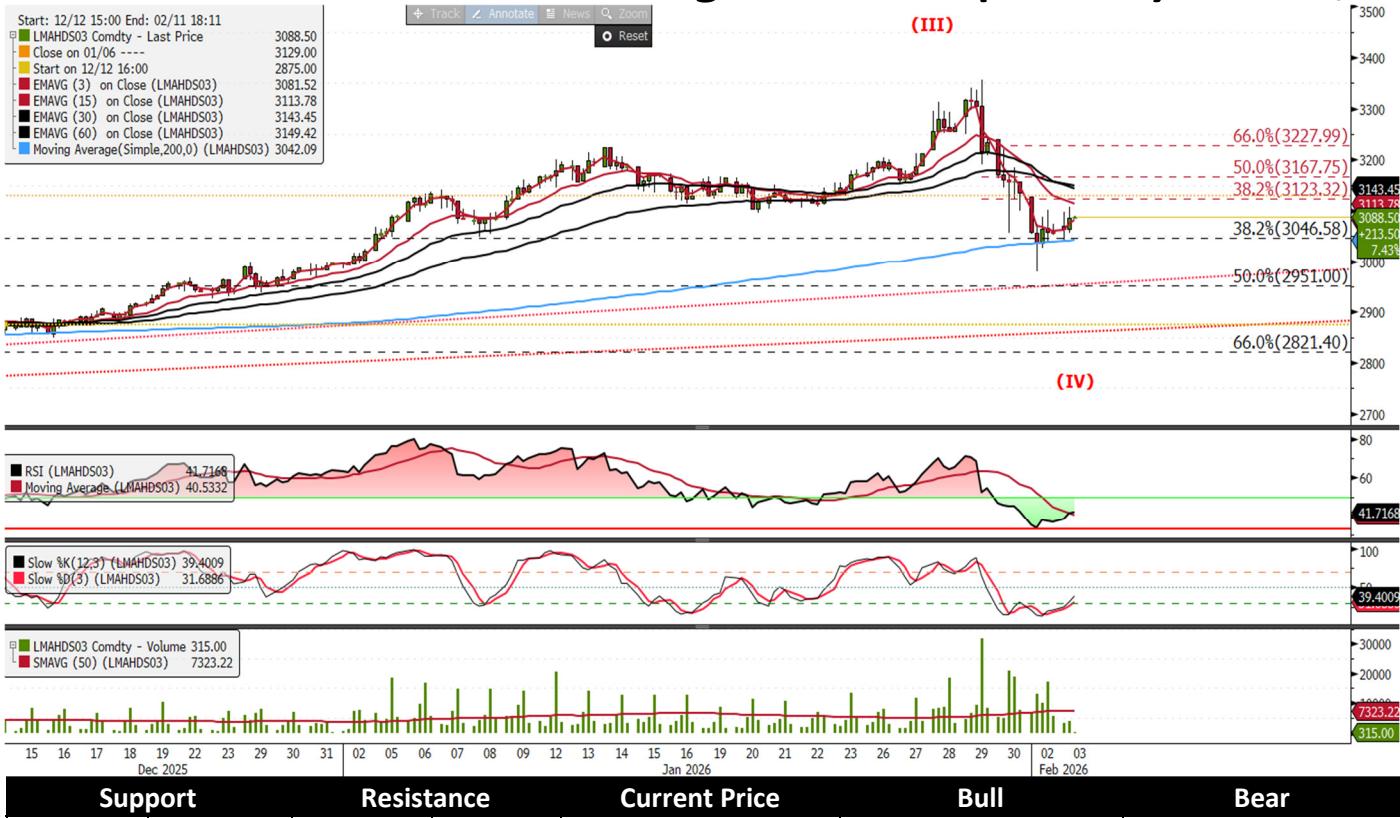
Support		Resistance		Current Price	Bull	Bear
S1	12,804	R1	13,510	13,423	RSI above 50	
S2	12,499	R2	13,629			
S3	11,940	R3	13,916			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI is above 50 (55)
- Stochastic is below 50
- Price is above the daily pivot point USD 12,804
- Technical outlook Monday : Corrective. We noted yesterday that the upside move to a high and subsequent rejection signaled the completion of two lower timeframe Elliott wave cycles, indicating price had entered a corrective Elliott wave (V). RSI moving averages implied momentum weakness; however, price is seeing a bullish reaction to the intraday 200-period MA at USD 12,476, warning intraday resistance could come under pressure in the near-term. We were cautious on lower moves at those level but considered upside moves as part of the larger correction, making USD 13,916 as a key level on the technical. Upside moves that fail to trade above this level would warn of further downside to come.
- The futures have moved higher resulting in price now testing the Fibonacci resistance zone (price is above the 38.2% level). 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 12,804 with the RSI at or below 47.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 11,940 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Buyside pressure within the corrective Elliott wave 4.
- Near-term price action is considered as bearish based on price due to the break in Fractal support previously; however, the broader Elliott wave cycle— and therefore technical—remain bullish above USD 11,940, and neutral below. Price did hold the 200-period MA at USD 12,499 yesterday, resulting in a move higher. We identify USD 13,916 as the key resistance top follow, as rejection at or below this level would indicate further downside within the corrective wave 4, suggesting we would be entering a wave C of said correction. Conversely, a sustained break above the USD 13,916 level would warn that price could be in a bullish impulse wave 5. Our interpretation of the wave cycle suggests that we remain in a corrective phase with the futures on an Elliott wave B (three wave correction, A down, B up, C down—Bullish impulse Elliott wave 5). For this reason, we have a note of caution on intraday moves higher while below the USD 13,916 level.

# Aluminium Morning Technical (4-hour)



Source Bloomberg

## Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (41)
- Stochastic is below 50
- Price is above the daily pivot point USD 3,054
- Technical outlook Monday: Corrective. The move lower on the open tested but held above the intraday 200-period moving average at USD 3,039. We noted that a close that remained above this level would leave nearby resistance levels vulnerable in the near term. Conversely, market longs should exercise caution if price began to close and hold below the average. Momentum remained weak, as indicated by the RSI moving average. From a technical perspective, USD 3,227 was identified as the key resistance level; upside moves that were rejected at this level would suggest scope for further downside. From a higher-timeframe perspective, price action appeared to be unfolding within a corrective wave 4. Our analysis suggested that any upside moves should be viewed as counter-trend in the near term, as price still appears to be in the early stages of a three-wave corrective structure (A-B-C). With price sitting on the intraday 200 MA and RSI holding support, we noted a degree of caution on downside follow-through at current levels, as price remained vulnerable to an intraday bounce higher.
- The futures held the 200-period MA yesterday resulting in light bid support. 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 above USD 3,054 with the RSI at or above 43 will mean price and momentum are aligned to the buy side; likewise, a close below this level with the RSI at or below 38.5 will mean it is aligned to the sell side. Downside moves that hold at or above USD 2,821 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Corrective
- Futures remain in a corrective phase within a broader bullish Elliott wave structure. We continue to identify USD 3,227 as a key resistance within the corrective phase, as a rejection of this level would warn of further downside in the form of a corrective wave C within the wave 4. Conversely, a sustained break above USD 3,227 would indicate price is potentially in a bullish impulse wave 5. With the futures still holding above the intraday 200-period MA, while price and momentum are starting to conflict, we are currently cautious on downside moves at these levels in the near-term, as price remains vulnerable to an intraday move higher. However, our wave analysis warns that an upside move would be a wave B within the corrective phase of the cycle, suggesting it has a higher probability of rejecting the USD 3,227 level.

## **Zinc Morning Technical (4-hour)**



Support		Resistance		Current Price	Bull	Bear
S1	3,311	R1	3,366	3,336.5		
S2	3,252	R2	3,387			
S3	3,186	R3	3,406			

## Synopsis - Intraday

Source Bloomberg

- Price is between the EMA support band (Black EMA's)
- RSI is at 50 (50)
- Stochastic is below 50
- Price is above the daily pivot point USD 3,311
- The corrective move lower had breached the USD 3,252 support yesterday, suggesting that the probability of price trading to a new high had started to decrease, meaning the higher timeframe Elliott weave cycle was neutral. Outside of Elliott, the sell off had been on increased volume, the RSI had made new lows while its moving average implied momentum weakness, indicating upside moves had a greater chance of being countertrend. We identify USD 3,460 as the key resistance to monitor, as a rejection here would indicate the technical will be vulnerable to further moves lower. A volatile open had resulted in bull support, while the RSI was also testing support, indicating we are vulnerable to an intraday move higher in the near-term.
- The futures have seen a small move higher on the bull support candle. We remain between the EMA support band with the RSI neutral at 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 3,311 with the RSI at or above 53.5 will mean price and momentum are aligned to the buyside; likewise, a close below this level will mean it is aligned to the sell side. Upside moves that fail at or below the USD 3,460 will leave the futures vulnerable to further tests to the downside, above this level the Elliott wave cycle will re-enter bullish territory.
- Technical outlook. Neutral.
- The broader structure remains neutral, as does the RSI and price and momentum. Technically, the depth of the pullback indicates that upside moves could struggle to hold, meaning we are cautious on higher moves while below USD 3,460. However, if we see a sustained breach in the USD 3,460 level, it will indicate that the Elliott wave cycle is potentially re-entering a bullish impulse wave 5. Although our outlook states neutral, we are cautious on upside moves in the near-term.