

## Copper

(Bloomberg) -- Copper held the bulk of the biggest one-day advance in more than three years, as the metal benefited from a renewed wave of interest in commodities and investors assessed the outlook for Chinese demand.

Futures traded above \$13,420 a ton in London after surging 4.6% on Tuesday for the biggest gain since November 2022. Base and precious metals have moved in tandem in recent months, with gold and silver rallying on Wednesday after a steep drop earlier in the week spurred by a rise in the US dollar.

Copper — used in pipes and batteries — has risen by about 8% this year, hitting a record above \$14,500 last week. The gains have been underpinned by signs that governments could move to secure supplies, and by broad investor optimism about the outlook for demand.

Prices spiked on Tuesday after a state-backed industry group in China called for authorities to boost strategic reserves of the metal, as well as on a return of buying by Chinese manufacturers.

Supplies are set to rise further in the top metals consumer. Copper traders pulled extra spot cargoes from Africa into the domestic market, capitalizing on a brief arbitrage window last week, according to traders with knowledge, who declined to be named because they are not authorized to speak to media.

The China Nonferrous Metals Industry Association also forecast that the country's refined copper output would rise about 5% this year, following a 10% surge in 2025, according to a statement. Local smelters — which produced 47% of the world's refined metal last year — have been resilient despite a relentless expansion of capacity that's triggered a collapse in processing fees.

The association's outlook signals no major output cuts are expected from Chinese smelters, said Xu Wanqiu, an analyst at Cofco Futures Co.

Daily refined copper spot trading volumes across China totaled 28,900 tons on Tuesday, according to a survey from consultancy Mysteel Global. While that's down 24% from a three-month peak the day before, the volume is still relatively high for the period since November.

In industry news, Glencore Plc has agreed to sell 40% of its stakes in two African copper businesses to a US government-backed group as Washington pushes for more control over critical minerals. Orion CMC, a new venture led by Orion Resource Partners, and with backers including the US International Development Finance Corp., signed a memorandum of understanding to buy stakes in copper-cobalt mines in the Democratic Republic of Congo.

Copper shed 0.4% to \$13,427 a ton on the London Metal Exchange at 7:26 a.m. local time, while other metals were mixed, with nickel rising.

# Copper Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	13,290	R1	13,471	13,346	RSI above 50	Stochastic overbought
S2	12,562	R2	13,809			
S3	11,940	R3	14,075			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI is above 50 (53)
- Stochastic is overbought
- Price is above the daily pivot point USD 13,290
- Technical outlook Tuesday : Buyside pressure within the corrective Elliott wave 4. Near-term price action was considered as bearish based on price due to the break in Fractal support previously; however, the broader Elliott wave cycle—and therefore technical—remained bullish above USD 11,940, and neutral below. Price had held the 200-period MA at USD 12,499 previously, resulting in a move higher. We identified USD 13,916 as the key resistance top follow, as a 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 suggested that we remained 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 had a note of caution on intraday moves higher while below the USD 13,916 level.
- The futures remain supported with price testing Fibonacci resistance. 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 13,290 with the RSI at or below 47 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.
- The technical footprint is unchanged from yesterday, intraday price is considered as bearish due to a fractal break; however, the broader Elliott wave cycle remains bullish above USD 11,940 and neutral below. We remain supported with the corrective wave 4 in what looks to be an intraday countertrend wave B, meaning we have a cautious approach on higher moves while below USD 13,809. A sustained breach above USD 13,809 will indicate we are seeing an increase in buy-side pressure, warning we could be in the early stages of a bullish impulse wave 5.

# Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	3,088	R1	3,123	
S2	3,046	R2	3,147	
S3	2,951	R3	3,167	RSI below 50

Source Bloomberg

## Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (45)
- Stochastic is above 50
- Price is above the daily pivot point USD 3,088
- Technical outlook Tuesday: Corrective. Futures remained in a corrective phase within a broader bullish Elliott wave structure yesterday. We continued 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 was potentially in a bullish impulse wave 5. With the futures still holding above the intraday 200-period MA, while price and momentum were starting to conflict, we were currently cautious on downside moves at these levels in the near-term, as price remained vulnerable to an intraday move higher. However, our wave analysis warned that an upside move would be a wave B within the corrective phase of the cycle, suggesting it had a higher probability of rejecting the USD 3,227 level.
- As noted, we have seen another small intraday move higher; however, we remain below the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 3,088 with the RSI at or below 38 will mean price and momentum are 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
- The futures remain supported within the corrective wave 4. If we look at the candles within the upside move we can see that they are small bodied with the majority of the candles producing upside wicks. These small bodies and wicks warn that price action is lacking bullish momentum, supporting our Elliott wave analysis that implies that the current intraday upside moves looks to be countertrend, within a broader bullish structure. While below USD 3,227 we continue to take a cautious approach on upside moves, a sustained breach of this level will imply that price is already in a bullish impulse wave 5. Technically, we remain vulnerable to further downside at this point.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,324	R1	3,357		
S2	3,312	R2	3,366		
S3	3,252	R3	3,387	RSI above 50	

## Synopsis - Intraday

Source Bloomberg

- Price is between the EMA support band (Black EMA's)
- RSI is above 50 (51)
- Stochastic is at 50
- Price is above the daily pivot point USD 3,324
- Technical outlook Tuesday. Neutral. The broader structure remained neutral yesterday, as did the RSI and price and momentum. Technically, the depth of the pullback indicated that upside moves could struggle to hold, meaning we were cautious on higher moves while below USD 3,460. However, a sustained breach above the USD 3,460 level, it would indicate that the Elliott wave cycle had potentially re-entered a bullish impulse wave 5. Although our outlook stated neutral, we were cautious on upside moves in the near-term.
- Price action is unchanged and now consolidating, we remain between the EMA support band with the RSI near-neutral at 51, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 3,324 with the RSI at or below 46.5 will mean price and momentum are 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.
- A neutral bias previously with a cautious approach on higher moves due to the depth of the pullback, we noted that a sustained move above the USD 3,460 level would indicate that price is re-entering a bullish impulse wave 5. Price has now formed a symmetrical triangle pattern, this is also considered a neutral due to its nature, as it has both a rising and declining trend lines. A close that holds outside of the pattern (USD 3,324—USD 3,357) should in theory give the technical a near-term directional bias.