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(Bloomberg) -- Base metals gained as China's markets reopened after the Lunar New Year break and traders cheered potentially lower US tariffs.

Copper rallied as much as 2.3% toward \$13,200 a ton in London, as aluminum also rose. China faces less-punitive charges, a boost for the country's metal-intensive exports, with the administration proposing a 15% levy after the Supreme Court ruled against President Donald Trump's reciprocal duties.

The gains in metals were echoed by a positive tone in mainland equities, as the benchmark CSI 300 Index also advanced on Tuesday. Under the new trade framework — if it's confirmed — Morgan Stanley estimated that the average US levy on goods from China will drop to 24% from 32%.

The US news is bullish for metals, said Jon Li, an analyst at Guangzhou Finance Holdings Futures Co. Demand from manufacturers will return, he added.

Copper has consolidated at a high level since hitting a record in January, with moves driven by frequent shifts in US policy, as well as mine snarls and forecasts for higher consumption from the energy transition. Higher prices have weighed on physical demand in China, causing exchange-tracked inventories to expand to the highest since 2024. Holdings of the red metal have also been rising in the US, as well as in London Metal Exchange-tracked sheds.

Copper rose 1.9% to \$13,116 a ton on the LME at 12:01 p.m. in Shanghai. Aluminum gained 0.8% to \$3,113 a ton, as nickel climbed.

"The US Supreme Court dismantled the most cost-effective tariff instrument, but not the new tariff regime overall," Allianz SE analysts including Ludovic Subran, chief investment officer, said in a note. "Uncannily, the Global South and China now emerge as the biggest winners."

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	12,952	R1	13,060	RSI above 50	Stochastic overbought
S2	12,907	R2			
S3	12,855	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- The RSI is above 50 (54)
- Stochastic is overbought
- Price is above the daily pivot point USD 12,907
- Technical outlook Monday: Inflection point
- Having traded higher previously price was back below the 200-period MA at USD 12,960 yesterday. The MA on the RSI implied that momentum was supported; however, the RSI was starting to move lower with price, suggesting we were seeing signs of momentum weakness. A close that holds below the longer-term average would warn that support levels could come under pressure, while a daily close below the weekly pivot level at USD 12,855 would signal an increase in sell side pressure. Conversely, failure to close below the 200-period MA would indicate that there was underlying support in the market. Early signals of momentum weakness, market buyer's should be cautious if price started closing below the daily pivot at USD 12,920.
- The futures traded to a low of USD 12,804; however, price failed to hold below the weekly pivot level at USD 12,855 and the 200-period MA at USD 12,957, resulting in price moving higher. 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 12,907 with the RSI at or below 49 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: Technically bearish within a rising channel.
- Downside price action failed to hold below the weekly pivot support yesterday, resulting in a move higher. The RSI moving average indicates momentum support, while price is in a rising channel, meaning we have trend support at USD 12,905 and resistance at USD 13,186. We have momentum support on the intraday timeframe, with signs sell side momentum is slowing on the daily timeframe. For upside continuation, we are going to need to see the daily RSI move and hold above the 56 level (currently 53.8). Market buyers should act with caution on a close below trend support with price and momentum becoming aligned to the sell side, as it will warn that support levels could come under pressure.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,095	R1	3,110	RSI above 50	Stochastic overbought
S2	3,083	R2			
S3	3,007	R3			

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA resistance band (Black EMA's)
- RSI is at 50 (54)
- Stochastic is overbought
- Price is above the daily pivot point USD 3,095
- Technical outlook Monday : Inflection point
- The symmetrical break to the upside yesterday signaled that we were in the process of seeing an increase in buy-side pressure, but price was on/below the 200-period MA at USD 3,107, meaning we were at an inflection point. The RSI moving average indicated that momentum was currently supported; however, while below the 200 MA, price suggested that support levels remained vulnerable. A close that held above the USD 3,107 level would further support a buyers argument; conversely, a close below the trend resistance line of the symmetrical triangle at USD 3,069 would signal the pattern breakout has failed. With fractal and trend support below us we remained cautious on lower moves, countering this, for upside continuation the futures need to close and hold above the 200-period MA. With price at an inflection point, we had a more neutral bias on the technical yesterday morning.
- The futures continue to trade around the 200-period MA at USD 3,104. We are above the EMA resistance band with the RSI above 50, intraday price and momentum are aligned to the buy-side.
- A close on the 4-hour candle below USD 3,095 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 2,821 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook : Inflection point—lacking bull impetus.
- Having broken the symmetrical pattern to the upside the futures have so far failed to produce bullish follow through as price remains on the 200-Period MA, meaning we remain at an inflection point. A close that holds above the average will indicate that buy-side pressure is increasing, warning the Fibonacci resistance zone could come under pressure. We identify USD 3,227 as the key resistance to follow, a rejection at or below this level will imply that there could be further downside within the corrective phase; conversely, if breached, then the probability of the futures trading to a new low will start to decrease. Failure to hold above the 200-period MA will indicate price is lacking bull impetus, despite the bullish pattern breakout.

Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	3,381.5	RSI above 50	
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (54)
- Stochastic is above 50
- Price is above the daily pivot point USD 3,362
- Technical outlook Monday. 1-hour divergence—caution on upside moves in the near-term.
- The upside move above USD 3,388 yesterday warned that the probability of price trading to a new low had begun to decrease. However, the new high had created a negative divergence with the RSI, warning price was vulnerable to a momentum slowdown in the near-term. The RSI moving average had started to flatten, indicating evidence that buy-side momentum was already slowing, suggesting intraday market buyer's should act with caution at this point.
- The futures sold lower yesterday with price closing and holding above the weekly pivot level at USD 3,341, resulting in price seeing bid support on the open this morning. We are above all key moving averages with the RSI above 50, intraday price and momentum are aligned to the buy-side.
- A close on the 4-hour candle below USD 3,362 with the RSI at or below 51.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 3,313 will support a near-term bull argument, below this level the USD 3,253 support will become vulnerable.
- Technical outlook. 1-hour divergence—caution on upside moves in the near-term.
- The upside move on the open has created a second negative divergence with the RSI, meaning we maintain a cautious approach on higher moves above USD 3,431.5. Market buyers should be cautious on a close below channel support at USD 3,354 as it will warn that sell side pressure is increasing.