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(Bloomberg) -- Aluminum rose to the highest in almost four years as escalating hostilities in the Middle East worsened the supply outlook from the region, while copper and other industrial metals fell on falling risk appetite.

Aluminum rose as much as 1.6% to \$3,499.50 a ton, the highest since April 2022, on the London Metal Exchange, following a gain of almost 10% last week as the war snarled shipments from the Persian Gulf. The region accounts for about 9% of global supply, and traders are bracing for more disruptions.

Buyers of the metal in the US are rushing to secure alternative cargoes from Asia after at least two major smelters in the Middle East — one in Qatar and one in Bahrain — were forced to suspend deliveries.

Crude oil spiked about 20% on Monday as the war curbed more production, reflecting deepening worries around the duration of the war and its impact on the global economy. Broader financial markets tumbled on Monday as investors avoided risk assets.

A “prolonged war will hurt aluminum supplies further,” said Gao Yin, an analyst at Shuohe Asset Management Co. Many people are buying aluminum and selling other industrial metals in the near term, she added.

On Sunday, Iran pressed attacks on neighbors, while Israel struck fuel depots in Tehran and threatened the Islamic Republic’s power grid. President Donald Trump warned the US would consider targeting areas that weren’t previously aimed at. The attacks will continue “until they surrender or, more likely, completely collapse!” he said in a social media post.

Aluminum rose 0.7% to \$3,4670.50 a ton as of 9:40 a.m. in Shanghai. Copper fell 1.8% to \$12,637 a ton and nickel dropped 3.1% to \$16,920 a ton.

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	12,784	R1	12,809	Stochastic oversold	RSI below 50
S2	12,582	R2			
S3	12,414.5	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- The RSI is below 50 (40)
- Stochastic is oversold
- Price is below the daily pivot point USD 12,893
- Technical Outlook Friday: Symmetrical triangle—neutral
- The downside move previously had held trend support at 12,770 on a higher than average volume candle, we could also see the at the RSI moving average was turning higher, indicating sell side momentum is slowing. Countering this, the daily candle had closed below its 50-period SMA at USD 12,976. If we held below this average, then trend support could be tested and broken. Conflicting signals with price remaining in the symmetrical triangle pattern, implying a neutral technical.
- The futures closed below the 50 period SMA at USD 12,976 resulting in price selling to a low of USD 12,583 on the open this morning; however price is finding bid support with the futures trading back in the symmetrical triangle. We are below the EMA resistance band supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 12,893 with the RSI at or above 44.5 will mean price and momentum are aligned to the buyside. 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: Symmetrical triangle—neutral
- The downside move on the open has seen price find bid support on the lower daily Bollinger band at USD 12,614 with the intraday RSI in divergence. This has resulted in the previous 4-hour candle closing on the trend support line at USD 12,786. Technically, price action remains neutral within the symmetrical pattern, the divergence implies momentum support. For downside continuation we will need to see a close below the low of the support candle at USD 12,583 with the divergence failing. Momentum suggests caution on downside moves; however, the USD basket remains supported at this point. Neutral.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,391	R1	3,482.5	RSI above 50	Stochastic overbought
S2	3,344	R2			
S3	3,281	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (70)
- Stochastic is overbought
- Price is above the daily pivot point USD 3,391
- Technical outlook Friday: Positive reversal, signs of volume support
- The futures were holding above the Fibonacci support zone with the stochastic showing a positive reversal in play. Price had sold below the USD 2,371 support; however, the RSI had also produced a second positive reversal pattern, both warned of underlying support in the market. After the initial trend break and move lower previously, the futures were holding with volume support, highlighting the positive reversal patterns. The technical was showing signs of underlying support; if price and momentum become aligned to the buy side, it would leave the futures vulnerable to an intraday move higher.
- The futures broke to the upside with price trading to a high of USD 3,544 on the open this morning. 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 3,391 with the RSI at or below 62.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 3,196 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Cautious bull—negative divergence in play
- The futures move higher on the positive divergence pattern resulting in price achieving new highs. However, the move higher means we now have a minor negative divergence with the RSI, not a sell signal it is a warning that we could see a momentum slowdown, this will need to be monitored. While the divergence is in play we have a cautious approach on higher moves. A 4-hour candle close above USD 3,544 with the divergence failing will indicate buy side support, warning of further upside.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,317	R1	3,326	RSI above 50	
S2	3,287	R2			
S3	3,226	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (54)
- Stochastic is above 50
- Price is above the daily pivot point USD 3,287
- Technical outlook Friday. On daily channel support
- The futures were finding support on the 100% Fibonacci projection level at USD 3,226 on Friday, we also noted that we had longer-term daily channel support at USD 3,216, meaning we are cautious on downside moves at those levels at that point, as price was vulnerable to an intraday move higher. The RSI had made a new low alongside price, confirming bearish momentum confirmation, implying upside moves had a higher chance of still being countertrend. We identified USD 3,359 as the key resistance to follow, upside moves that failed at or below this level would warn that there could be further downside to follow. If broken, it would signal an increase in buy-side pressure.
- The futures held channel and Fibonacci support resulting in price moving higher, we are now just above the intraday 200-period MA at USD 3,317. Price is trading just 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 3,287 with the RSI at or below 43 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 3,359 will leave price vulnerable to further tests to the downside, above this level will indicate an increase in near-term buy-side pressure.
- Technical outlook. Negative reversal, price needs to breach the USD 3,349—USD 3,359 resistance zone.
- The futures continue to see bid support having held the channel support line on Friday, resulting in a move above the intraday 200-period MA. A close and hold above the average will warn that resistance levels could be tested and broken. The RSI is making new highs; however, price is not, meaning we have a negative reversal pattern in play while below the USD 3,349 level, suggesting market buyers need to act with caution while below this level. Above USD 3,349 both the RSI and price will have made new highs, indicating buy-side momentum confirmation, warning that USD 3,359 resistance could be breached. If it is, then the probability of price trading to a new low will begin to decrease, further supporting an intraday bull argument. For upside continuation, price will need to breach the USD 3,349—USD 3,359 resistance zone.