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(Bloomberg) -- Aluminum extended its retreat from a four-year high after US President Donald Trump signaled a possible end to the Iran war, which has disrupted supplies of the metal from the Middle East.

Prices of the most widely used metal fell as much as 3.5% on the London Metal Exchange after Trump said the war with Iran would be resolved "very soon" as he confronted mounting economic and political pressures after days of dramatic fluctuations in oil markets.

Aluminum prices had already slipped on Monday amid a broad selloff across financial markets after earlier touching \$3,544 a ton, the highest since March 2022, on the escalating conflict. The effective closure of the Strait of Hormuz has cut off Persian Gulf shipments of the metal, which account for about 9% of global supply.

The cash to three-month aluminum spread also eased to \$22.47 a ton on Monday, from as high as \$59 earlier in the session, pointing to less concern over supply tightness.

Trump's comments have eased concerns around Middle East supplies, said Jon Li, an analyst with Guangzhou Finance Holdings Futures Co. Prices are unlikely to fall much further though, and aluminum in Shanghai could find support around 24,000 yuan (\$3,475) a ton on rising spring demand in China, he added.

Aluminum fell 2% to \$3,315 a ton on LME as of 9:38 a.m. in Shanghai time. Prices on Shanghai Futures Exchange were down 1.6% to 24,540 yuan a ton. Copper rose 0.5% to \$13,024.

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	12,835	R1	13,087.5	RSI above 50	
S2	12,829	R2			
S3	12,784	R3			

**Synopsis - Intraday**

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- The RSI is above 50 (57)
- Stochastic is above 50
- Price is above the daily pivot point USD 12,835
- Technical Outlook Monday: Symmetrical triangle—neutral
- The downside move on the open yesterday had seen price find bid support on the lower daily Bollinger band at USD 12,614 with the intraday RSI in divergence. This had 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 implied momentum support. For downside continuation we would need to see a close below the low of the support candle at USD 12,583, with the divergence failing. Momentum suggested caution on downside moves; however, the USD basket remained supported at that point. Neutral.
- The futures closed above the trend support line into the close resulting in bid support this morning. We are above all key moving averages with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 12,835 with the RSI at or below 42 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: Symmetrical triangle—neutral
- The downside rejection has resulted in an increase in buy-side pressure. the futures are now trading above the intraday 200-period MA at USD 13,048; however, we are yet to see a close and hold above the average. If we do, then the USD 13,209 resistance could be breached; if it is then the probability of price trading to a new low would begin to decrease. Ultimately, we remain in the symmetrical triangle, signaling a neutral technical.

# Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	3,279	R1	3,321		RSI below 50	
S2	3,195	R2				3,430
S3	3,128	R3				3,439

## Synopsis - Intraday

Source Bloomberg

- Price is between the EMA support band (Black EMA's)
- RSI is below 50 (48)
- Stochastic is below 50
- Price is below the daily pivot point USD 3,430
- Technical outlook Monday: Cautious bull—negative divergence in play
- The futures moved higher on the positive divergence pattern previously, resulting in price achieving new highs. However, the move higher meant that we had a minor negative divergence with the RSI, not a sell signal it warned that we could see a momentum slowdown, this needed to be monitored. While the divergence was in play we had a cautious approach on higher moves. A 4-hour candle close above USD 3,544 with the divergence failing would indicate buy-side support, warning of further upside.
- The futures sold lower on the negative divergence, resulting in price breaching the fractal support at USD 3,269; however, we did produce a bullish rejection candle following the breach in support. We are between the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buy-side.
- A close on the 4-hour candle above USD 3,430 with the RSI at or above 62 will mean price and momentum are aligned to the buy-side. Downside moves that hold at or above USD 3,195 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Countertrend correction
- Price is moving lower on a negative divergence, while the RSI moving average implies momentum is weak. Our Elliott wave analysis suggests that the downside move should be considered as countertrend, making USD 3,195 the key support to follow. If broken, then the probability of price trading to a new high will begin to decrease; conversely, upside moves that fail at or below USD 3,449 will warn that there could be further downside within the corrective phase. Note; price is moving lower on reduced volume, suggesting market buyers have pulled back, rather than an increase in sell-side pressure at this point.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,326	R1	3,386	RSI above 50	Stochastic overbought
S2	3,315	R2	3,431		
S3	3,273	R3	3,460		

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (61)
- Stochastic is overbought
- Price is above the daily pivot point USD 3,326
- Technical outlook Monday. Negative reversal, price needs to breach the USD 3,349—USD 3,359 resistance zone.
- The futures continued to see bid support yesterday 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 would warn that resistance levels could be tested and broken. The RSI was making new highs; however, price was not, meaning we had a negative reversal pattern in play while below the USD 3,349 level, suggesting market buyers needed to act with caution while below this level. Above USD 3,349 both the RSI and price would have made new highs, indicating buyside momentum confirmation, warning that USD 3,359 resistance could be breached. If it was, then the probability of price trading to a new low would begin to decrease, further supporting an intraday bull argument. For upside continuation, price needed to breach the USD 3,349—USD 3,359 resistance zone.
- The future moved higher with price breaching the resistance zone yesterday. We are above all key moving averages with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 3,326 with the RSI at or below 49.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 3,277 will support a near-term bull argument.
- Technical outlook. Buy-side pressure increasing.
- The move above the resistance zone highlighted previously, while price is holding above the intraday 200-period MA at USD 3,317 implies market support. The move above USD 3,359 indicates we are seeing an increase in buyside pressure, warning resistance levels are vulnerable. The upside move is breaking key resistance levels while the RSI moving average indicates momentum support, suggesting caution on corrective throwbacks at this point.