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(Bloomberg) -- Aluminum, one of the metals most directly affected by the war in Iran, is struggling to attract buyers in China after prices surged to a four-year high.

Demand is disappointing, and inventories are piling up, even as factories enter the busy period that follows the Lunar New Year. Stockpiles of primary aluminum have shot above 1.3 million tons, the highest since 2020. More exports beckon to clear the glut.

"Chinese fabricators have slowed purchases to just meet hand-to-mouth demand," said Huang Yuyao, an analyst with research firm Mysteel Global. Their appetite only worsened after prices spiked, she said.

The lackluster performance of a widely used industrial material could be a warning sign for China's broader economy, which rebounded in the first two months of the year but now faces the fallout from higher energy costs and other disruptions due to the conflict in the Middle East.

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	12,583	R1	12,816	Stochastic oversold	RSI below 50
S2	12,432	R2	12,948		
S3	12,230	R3	13,174		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- The RSI is below 50 (36)
- Stochastic is oversold
- Price is below the daily pivot point USD 12,816
- Technical Outlook Wednesday: potential bearish confirmation breakout
- The upside move in the futures was in the process of rejecting the trend resistance line from the symmetrical triangle pattern yesterday. From a technical perspective, the pullback and rejection of the trend resistance would confirm the breakout and warn that the USD 12,583 and USD 12,432 support levels could come under pressure.
- The futures sold to a low of USD 12,635 with price remaining near recent lows. We are below all key moving averages 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 12,8161 with the RSI at or above 43.5 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 11,940 will support a longer-term bull argument, below this level the technical will have a neutral bias.
- Technical Outlook: The Block
- In theory, the rejection of the triangle implies we move lower. However, we have an intraday positive divergence and a daily positive reversal pattern in play, meaning we are cautious on lower moves at this point. For downside continuation, we will need a daily close below USD 12,583.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,325	R1	3,384	Stochastic oversold	RSI below 50
S2	3,265	R2	3,475		
S3	3,197	R3	3,547		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (41)
- Stochastic is oversold
- Price is below the daily pivot point USD 3,384
- Technical outlook Tuesday: Cautious bull
- Price is holding above the USD 3,361 support yesterday, meaning the technical remained in bullish territory. However, the RSI moving average continued to imply that momentum was weak at that point, meaning the USD 3,361 level was still vulnerable. If broken, the probability of the futures trading to a new high will begin to decrease. On the buyside, the RSI was making new lows, price was not. This was known as a positive reversal pattern and implies that price is currently supported. Two different momentum signals; for upside continuation, the futures need to hold above USD 3,361 with price and momentum becoming aligned to the buyside.
- The futures sold below the USD 3,361 level meaning the technical is currently neutral. We are below the EMA support band with the RSI above 30, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 3,384 with the RSI at or above 43.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 3,475 will leave the futures vulnerable to further tests to the downside, above this level the futures will be back in bull territory
- Technical outlook: Neutral
- The depth of the pullback implies that the probability of the futures trading to a new low has started to decrease. However, both the daily an intraday timeframes have a positive reversal pattern in play, meaning we remain cautious on lower moves while above USD 3,265. If price and momentum become aligned to the buyside, we target the USD 3,475 resistance.

Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	3,192	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (28)
- Stochastic is oversold
- Price is below the daily pivot point USD 3,245
- Technical outlook Tuesday: Minor positive divergence
- The futures remained in a corrective phase with the daily trend support rising to USD 3,243. Price remained in a corrective phase while the RSI moving average implied momentum is weak. However, we were approaching trend support while the intraday RSI had a minor divergence in play, meaning we were cautious on downside moves in the near term. For downside continuation, the futures need to close and hold below the daily trend support with the intraday divergence failing.
- The futures closed below trend support (now resistance at USD 3,247) with the divergence failing. We are below all key moving averages 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 3,245 with the RSI at or above 38.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 3,362 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technical outlook. Bearish—oversold
- The close below the trend support with the divergence failing has bearish connotations going forward, pricing we do not see a daily close back above the USD 3,247 level. However, the RSI at 28 is oversold, leaving price vulnerable to an intraday move higher.