

Metals

(Bloomberg) -- Copper fell with other industrial metals after US President Donald Trump reiterated a threat to attack Iran's civilian infrastructure should negotiations fail to end the month-long war.

The US will strike Iran "extremely hard" over the next two to three weeks and could target "each and every one" of the country's power plants, Trump said in a primetime TV address. Though he also said the military operation was "very close" to completion, the risks around escalation sent copper, aluminum and zinc lower. Oil futures surged.

Metals markets have been shaken by supply disruptions from the Middle East and the growing prospect of an oil shock that batters the global economy and crushes demand. Copper's decline in March was its biggest monthly drop since 2022.

Aluminum, meanwhile, notched its highest close in four years on Wednesday after Emirates Global Aluminium, the Middle East's top producer of the metal, said Iranian missiles and drones had forced one of its smelters to halt output. But even aluminum was lower on Thursday.

"Base metals including copper are now under threat of demand destruction, if global central bankers start to revert from their liquidity-easing cycle," said Kelvin Wong, senior analyst at Oanda. Oil prices are the prime driver for markets, he said, and the upward trend for crude will remain intact as long as there is no clarity on flows through the Strait of Hormuz.

In his speech on Wednesday, Trump urged allies who rely on Middle Eastern energy to resolve the near-closure of Hormuz, the strategic waterway through which a fifth of the world's oil and liquefied natural gas typically passed before the war.

Copper dropped 1.2% on the London Metal Exchange to \$12,288 a ton by 1:27 p.m. Shanghai time, while aluminum fell 0.9% and zinc dropped 1.7%. Iron ore futures on the Singapore Exchange were slightly higher at \$106.55 a ton.

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	12,189	R1	12,302.5	RSI above 50	Stochastic overbought	
S2	12,096	R2				12,572
S3	11,969	R3				12,689

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- The RSI is at 50 (50)
- Stochastic is overbought
- Price is below the daily pivot point USD 12,433
- Technical Outlook Wednesday: Buyside pressure increasing.
- The RSI moving average was moving higher implying momentum support yesterday, while the RSI and price had exited their consolidation zones. We noted that a close above the trend resistance at USD 12,456 would further support an intraday bull argument. However, as highlighted previously, our Elliott wave analysis suggests that upside moves should be considered as countertrend, making USD 12,689 the key resistance to follow. Above this level the probability of the futures trading to a new low will begin to decrease. The US were talking down the conflict which could change the Elliott wave footprint. While momentum is supported, caution is warranted on intraday pullbacks.
- The futures consolidated below the trend resistance at USD 12,572 before selling lower on the open this morning on Trump's renewed war threats. We are between the EMA support band with the RSI neutral at 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 12,433 with the RSI at or above 59 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 12,689 will leave the future vulnerable to further tests to the downside, above this level the corrective phase will enter neutral territory.
- Technical Outlook: Testing support
- The rejection of the trend line overnight has resulted in price and momentum testing a support zone. If we hold, then the USD 12,689 Fibonacci resistance will become vulnerable, while a move above this level will reduce the probability of the futures trading to a new low. Conversely, if the futures trade below the USD 12,121 fractal support with the RSI moving above 40, it will signal an increase in sell-side pressure, leaving the USD 11,700 fractal low vulnerable. Our Elliott wave analysis continues to suggest we remain in a corrective phase, indicating upside moves have the potential to be countertrend while below USD 12,689. However, if this support area holds, it will signal a change in polarity, supporting a buyside argument.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,496	R1	3,503	RSI above 50	Stochastic overbought
S2	3,375	R2			
S3	3,325	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (62)
- Stochastic is overbought
- Price is below the daily pivot point USD 3,496
- Technical outlook Wednesday: Caution on downside moves
- The futures had entered a corrective phase yesterday resulting in the RSI making a new low; however, price had not, meaning we had a positive reversal pattern in play. Corrective moves that hold at or above the USD 3,375 support will leave the USD 3,536 resistance vulnerable; below this level price and momentum will have made a new low, warning the USD 3,258 support could come under pressure. We identify USD 3,258 as the key support on the technical, if broken, then the probability of the futures trading to a new high would start to decrease.
- The futures have moved higher on the positive reversal pattern; however, price is yet to trade above the USD 3,546.5 fractal high. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the sell side, as the previous candle closed below the daily pivot level.
- A close on the 4-hour candle above USD 3,496 with the RSI at or above 67.5 would mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 3,258 will support a bull argument, below this level the futures will have re-entered bearish territory.
- Technical outlook: caution above USD 3,546.5
- Both price and momentum remain supported, warning the USD 3,546.5 fractal high could be tested and broken. However, we have a note of caution on upside breakouts above USD 3,546.5 as the RSI will be divergent with price. Not a sell signal, it is a warning that buyside momentum could slow, which will need to be monitored.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,200	R1	3,257.5	RSI above 50	Stochastic overbought
S2	3,160	R2			
S3	3,134	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (64)
- Stochastic is overbought
- Price is on/below the daily pivot point USD 3,259
- Technical outlook Wednesday: Inflection point
- We noted yesterday that our Elliott wave analysis suggests that upside moves should be considered as countertrend; however, momentum warned that the USD 3,263 resistance could be tested and broken. Price was at an inflection point, as we are on the upper channel line. A close and hold above the line would warn of further bullish price action; conversely, caution was warranted if we failed to hold above the line. Our issue, if the move higher was part of a large correction, we would not have expected to see the RSI moving above the 70 level, as this suggested that we were seeing evidence of increased by-side pressure.
- Price held the upper channel support, resulting in the USD 3,263 resistance being breached. We are above the EMA support band with the RSI above 50, intraday price and momentums are aligned to the sell side due to a throwback in the Asian day session.
- A close on the 4-hour candle above USD 3,259 with the RSI at or above 70.5 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 3,099 will support a near-term bull argument, below this level price will re-enter bear territory.
- Technical outlook. Resistance vulnerable
- The upside move above USD 3,263 means that the probability of the futures trading to a new low has begun to decrease. The pull-back in the Asian day session has created a positive reversal patten, meaning the USD 3,300.5 fractal high is broken. However, if a new high is achieved with the RSI in divergence, market longs should be cautious. If a divergence is followed by a close and hold below the intraday 200-period MA at USD 3,271, support levels will become vulnerable.