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(Bloomberg) -- Copper rose to the highest level in more than a month and other industrial metals were mainly up on optimism the US and Iran will restart peace talks.

President Donald Trump said Tehran had reached out to his administration on potential peace talks, even as the US began a naval blockade of the Strait of Hormuz. Iran has left the door open for further discussions, yet investors remain wary of renewed volatility due to the risk of escalation.

Industrial metals have been whipsawed since the Middle East war erupted at the end of February. They were initially hit by fears of soaring energy costs and the impact on economic growth before partially recovering on signs the conflict may be nearing an end. Aluminum jumped to a four-year high this week on the further disruption to supplies due to the US blockade. The Middle East accounts for about 9% of global production of the metal.

"Investors are pricing in the easing of macro crisis," said Jia Zheng, trading manager at Suzhou Chuangyuan Harmony-Win Capital Management Co. "It is likely to be a prolonged tug-of-war, similar to the Russia-Ukraine war, where the impact on the markets will gradually weaken."

Copper rose 0.4% to \$13,107.50 a ton on the London Metal Exchange as of 10:18 a.m. in Shanghai, after touching \$13,162 earlier, the highest since March 10. Aluminum was up 0.3% at \$3,617.50 a ton.

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	12,979	R1	13,172	RSI above 50	Stochastic overbought
S2	12,715	R2	13,400		
S3	12,603	R3	13,494		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI is above 50 (72)
- Stochastic is overbought
- Price is above the daily pivot point USD 12,979
- Technical Outlook Previously: Divergent above 12,928
- Ww worked on the basis yesterday that the upside move above USD 12,689 previously meant that the probability of the futures trading to a new low had begun to decrease, indicating downside moves should be considered as countertrend while above the USD 12,117, and bearish below. Price had held the 200-period MA on the open, this had bullish implications; however, above USD 12,928 we would be divergent with the RSI, meaning we continued to be cautious on upside breakouts in the near-term.
- The futures traded above the USD 12,928 fractal high with the divergence failing. 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 12,979 with the RSI at or below 65 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 12,197 will support a near-term bull argument, below this level price will re-enter bearish territory.
- Technical Outlook: Downside moves considered as countertrend
- The divergence failure with the RSI yesterday signaled momentum confirmation, supporting a buyers argument. As highlighted previously, the move above USD 12,689 alongside the RSI high, suggests that downside moves should be considered as countertrend at this point. If the RSI closes below trend support, or price and momentum become aligned to the sell side, it will leave price vulnerable to an intraday throwback.

Aluminium Morning Technical (4-hour)



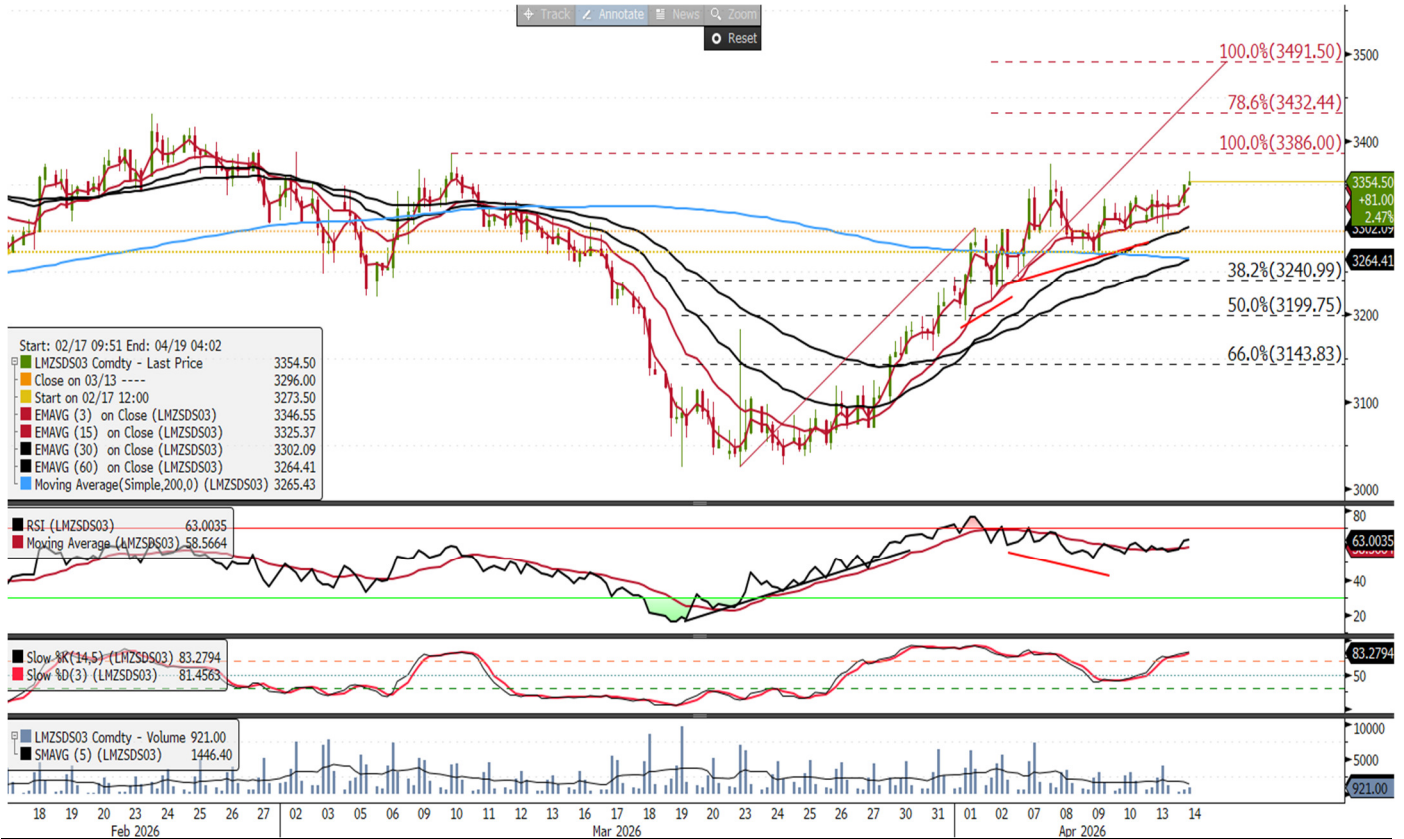
	Support	Resistance	Current Price	Bull	Bear
S1	3,590	R1	3,685	RSI above 50	Stochastic overbought
S2	3,448	R2	3,756		
S3	3,385	R3	3,847		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is at 50 (71)
- Stochastic is overbought
- Price is above the daily pivot point USD 3,590
- Technical outlook Previously: Negative divergence
- The upside move on the positive reversal pattern yesterday had resulted in price trading to a new high; however, this meant that we had a negative divergence in play. Not a sell signal it warned that we could see a momentum slowdown, which needed to be monitored. Fibonacci projection levels suggested that we had a potential near-term upside target around the USD 3,685.
- The futures continued to trade to new highs resulting in the 4-hour divergence failing. 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 3,590 with the RSI at or below 62 would mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 3,298 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Cautious on higher moves
- Although the divergence failed yesterday, price is now approaching our near-term upside target at USD 3,685, while above USD 3,655 the 1-hour RSI will be divergent. For this reason, we continue to be cautious on upside breakouts. Countering this, lower timeframe Elliott wave analysis implies that intraday downside moves should in theory be considered as countertrend while below USD 3,655, suggesting the futures need to achieve a new high to complete the lower timeframe cycle. .

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,320	R1	3,354.5	RSI above 50	Stochastic overbought
S2	3,265	R2			
S3	3,240	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (63)
- Stochastic is overbought
- Price is above the daily pivot point USD 3,320
- Technical outlook Previously: Resistance vulnerable
- The futures remained supported yesterday due to the positive reversal pattern, while price had held above the 200-period moving average at USD 3,264. Intraday price and momentum were aligned to the buyside, implying resistance remained vulnerable; however, we highlighted that we would have a note of caution above USD 3,374.5 as price would become divergent with the RSI, warning buyside momentum could slow down.
- The futures remain supported but below the USD 3,374.5 fractal high. 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 3,320 with the RSI at or below 56.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 3,143 will support a near-term bull argument, below this level price will re-enter bear territory.
- Technical outlook. Resistance vulnerable
- Unchanged on the technical this morning, the futures remain supported due to the positive reversal pattern, while price has held above the 200-period moving average at USD 3,265. The RSI moving average is moving higher, indicating momentum support, implying resistance remains vulnerable. However, as highlighted previously, we will have a note of caution above USD 3,374.5, as price will become divergent with the RSI, warning buyside momentum could slow down.