

Metal

(Bloomberg) -- Copper and aluminum edged up after US President Donald Trump announced an indefinite extension to the ceasefire with Iran, easing immediate escalation risks.

Trump said he would hold off on further strikes to give Tehran more time to submit a peace proposal, while Iran said on Wednesday it received "some sign" Washington was ready to end its blockade of Iranian ports. Oil dropped on the latest developments, while metals rose.

Copper increased as much as 0.4% before trading at \$13,275 per ton on the London Metal Exchange as of 1:33 p.m. Singapore time, while aluminum climbed 0.2%.

[Read More: Trump Extends Iran Ceasefire, Keeps Blockade as Talks Falter](#)

Metals markets have seen varied impacts from the war. Demand is broadly at risk as an unprecedented energy shock reverberates through the global economy. But at least one Middle Eastern aluminum smelter has shut after an Iranian attack, while exports and raw material imports have stalled with the Strait of Hormuz cut off.

In copper, disruptions to sulfuric acid flows from the Middle East and China pose a risk to producers elsewhere.

About 11% of global copper supply — largely centered in Chile and Democratic Republic of Congo — is exposed to shortages of sulfuric acid, according to Goldman Sachs Group Inc. Any impact on production is likely to unfold beyond late May, the bank's analysts wrote in a note.

"While the copper price action since the start of the Iran conflict has largely reflected economic growth concerns, with an initial selloff followed by a post-ceasefire rally, we note risks to copper supply from potential sulfuric acid shortages should the recovery in flows through the Strait of Hormuz lag further," the analysts said.

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	13,207	R1	13,346	RSI above 50	
S2	12,941	R2	13,400		
S3	12,802	R3	13,494		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI is above 50 (56)
- Stochastic is below 50
- Price is above the daily pivot point USD 13,207
- Technical Outlook Previously: Downside moves considered as countertrend
- We maintained our view yesterday based on Elliott wave analysis that downside moves should be considered as countertrend. The futures had formed a symmetrical triangle pattern, confirming the consolidation phase highlighted previously. A neutral pattern, directional bias would come on a close and hold outside of the trend lines highlighted (USD 13,196—USD 13,358). We also noted that the RSI was moving lower faster than price, meaning he had a positive reversal pattern in play, implying caution on downside breakouts, as they had a higher probability of being fake-outs.
- The futures did have a test to the downside but remain the symmetrical triangle pattern. Price is above the EMA support band with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 13,207 with the RSI at or above 68.5 will mean price and momentum are aligned to the buy side; likewise, a close below this level will mean they are aligned to the sell side. Downside moves that hold at or above USD 12,613 will support a bull argument, below this level price will have a neutral bias
- Technical Outlook: Downside moves considered as countertrend
- Unchanged on the technical today. Near-term price action remains neutral with price in the symmetrical triangle, support and resistance lines are between USD 13,204 and USD 13,346. However, we continue to have a cautious approach to downside breakouts due to the positive reversal pattern in play.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,540	R1	3,591	RSI above 50	
S2	3,537	R2	3,621		
S3	3,459	R3	3,672		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (53)
- Stochastic is above 50
- Price is above the daily pivot point USD 3,540
- Technical outlook Previously: Upside moves considered as countertrend
- Intraday Elliott wave analysis yesterday based on the correction suggested that downside moves should be considered as countertrend, providing we remained below the USD 3,591 resistance. Above the USD 3,591 level the probability of the futures trading to a new low would start to decrease. The RSI moving average implied momentum remained weak at that point. However, we made a point of observation on the daily chart. USD 3,517 was two standard deviations above the daily 200-period moving averages; the upper 200 period Bollinger band had acted as a support on the 09/04/ and 20/01, this level needed to be observed for reactions around it. A close and hold below USD 3,517 on the daily timeframe would bring support levels into focus; conversely, market sellers should act with caution if the support held.
- The futures traded to a low of USD 3,511.5 yesterday, meaning the 200-period MA upper Bollinger band support held. Price is 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 3,540 with the RSI at or below 44 would mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 3,304 would warn that there could be a larger, bullish wave cycle coming into play.
- Technical outlook: Buyside pressure increasing
- Our wave analysis had suggested that upside moves should be considered as countertrended; however, the holding of the Bollinger band support on the 200-period MA yesterday suggests we are seeing underlying support in the market, warning the USD 3,591 resistance could be tested and broken. If it is, then the probability of the futures trading to a new low will begin to decrease.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,426	R1 3,491	3,447.5	RSI above 50	
S2	3,307	R2 3,556			
S3	3,276	R3 3,629			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (58)
- Stochastic is above 50
- Price is above the daily pivot point USD 3,426
- Technical outlook Previously: Negative divergence, cautious bull
- The futures remained in a corrective phase yesterday with the positive reversal pattern failing, warning support levels were considered as vulnerable in the near-term. Elliott wave analysis did suggest that downside moves should be considered as countertrend, providing we held above the USD 3,180 support. We were holding on the EMA support band at that point; however, the corrective pullback looked shallow, meaning we remained cautious on upside moves, as price would become divergent above USD 3,482.
- We were a little caught out yesterday as the futures found bid support. 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 3,426 with the RSI at or below 56 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 3,180 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook. Negative divergence, cautious bull
- Price has caught a bid but is yet to trade to a new high. Above USD 3,482 the futures will be in divergence with the RSI, not a sell signal, it is a warning we could see a momentum slowdown, this will need to be monitored. Due to the divergence risk, we are cautious on upside breakouts. We maintain our view that downside moves should be considered as countertrend at this point.