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(Bloomberg) -- Competition between the US and China to secure supplies of copper will boost prices of the metal, according to Henry Van, head of industrial metals analysis at trading house Trafigura.

Big regional disparities in copper market are new catalyst that will drive prices higher, Van says at seminar in Hong Kong during LME Asia Week

Key moment for market is start of July this year, when US is expected to make decision on levying fees on imports of refined copper: Van

Even if start of tariffs is delayed until next year, that will incentivize large volumes of copper to keep going to the US as a strategic stockpile, Van says, "and that means that the Shanghai prices need to keep pricing higher to attract units"

"What we're seeing right now is a pull from both sides of the world, both from China and from the US, to try and secure copper"

Van says he has been surprised by people saying the US might not impose levies on imports of refined copper after a trade investigation concludes mid-year

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	13,086	R1	13,330	RSI above 50	Stochastic overbought
S2	13,013	R2	13,480		
S3	12,803	R3	13,670		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI is above 50 (60)
- Stochastic is overbought
- Price is above the daily pivot point USD 13,013
- Technical Outlook Previously: Upside moves considered as countertrend
- The move to a new low yesterday meant that we had a 5-wave pattern lower, structurally this suggested that the move lower is leg A of a corrective A,B,C pattern within the Elliott wave cycle. In theory, the 5-wave move lower should be followed by a countertrend wave B higher, making USD 13,242 the key resistance to follow; if breached, then the probability of price trading to a new low would begin to decrease.
- Having held the intraday 200-period MA on the open yesterday, the futures have traded above the USD 13,242 resistance, meaning the probability of price trading to a new low has started to decrease. 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 13,013 with the RSI at or below 46.5 will mean price and momentum are aligned to the sell side.
- Technical Outlook: Buyside pressure increasing
- The upside move above USD 13,242 signals an increase in buyside pressure, warning downside moves have a higher probability of being countertrend. Our wave analysis had suggested that had completed wave A and entered wave B; based on the strength of the upside move, alongside the RSI making new highs alongside price, the technical implies our wave analysis on the correction looks to be wrong. We have momentum support, the 200-period MA has held, key resistance has been breached, the technical suggests the USD 13,481.5 fractal high is now vulnerable.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,552	R1	3,571.5		RSI below 50
S2	3,530	R2			
S3	3,461	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (58)
- Stochastic is above 50
- Price is above the daily pivot point USD 3,552
- Technical outlook Previously: Caution on upside moves
- As highlighted previously, the RSI had broken near-term resistance; however, price had not, meaning we had a negative reversal pattern in play. Above USD 3,560 the reversal pattern would have failed, signaling an increase in buy-side pressure. While below USD 3,560, we were cautious on upside moves.
- The futures have traded above the USD 3,650 resistance, meaning the negative reversal pattern has failed. 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 3,552 with the RSI at or below 49 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: buy-side pressure is increasing
- The negative reversal pattern has failed, while the USD 3,591 resistance has now been breached, meaning the probability of the futures trading to a new low has started to decrease. The upside move and resistance break are signaling an increase in buy-side pressure; however, the RSI is in divergence on the 1-hour timeframe, warning intraday support levels could be tested. Due to the conflicting technical, we are currently neutral.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,374	R1	3,408	RSI above 50	Stochastic overbought
S2	3,349	R2			
S3	3,289	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (58)
- Stochastic is overbought
- Price is above the daily pivot point USD 3,349
- Technical outlook Previously: Caution on downside moves
- We noted yesterday that although the futures had witnessed a change in polarity, the momentum confirmation highlighted previously, coupled the RSI moving average sloping higher, suggested caution on lower moves at that point. A close and hold above USD 3,268.5 would warn that our key resistance at USD 3,425 could be tested and broken; if it is, then the probability of the futures trading to a new low would begin to decrease.
- The futures have traded above the USD 3,425 resistance. 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 3,349 with the RSI at or below 47 will mean price and momentum are aligned to the sell side. ide. Downside moves that hold at or above USD 3,183 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook. Caution on downside moves
- The upside move above the polarity resistance also has bullish momentum confirmation, meaning we remain cautious on downside moves at these points. The breach above USD 3,425 indicates that the probability of price trading to a new low has started to decrease, further supporting a bull argument.