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(Bloomberg) -- Copper edged lower with aluminum while Iran evaluates a fresh proposal from US President Donald Trump to end a conflict that's nearing the 10-week mark.

Most industrial metals had surged on Tuesday and Wednesday on growing optimism for deescalation of a war that's pushed up energy prices and threatened the global economy. Tehran is now mulling a one-page memorandum from the US that proposes a path to reopening the Strait of Hormuz.

As oil prices steadied following big swings this week, copper trimmed its rally, falling 0.2% to trade at \$13,366 a ton by 12:28 p.m. Shanghai time. Aluminum was down 0.6% and zinc was little changed.

The war in the Middle East has roiled metals markets by rupturing some supplies, cutting off flows of sulfuric acid needed by producers elsewhere, and risking a major hit to manufacturers worldwide. Aluminum has posted sharp gains after the region's smelters were forced to cut production.

"In the short term we probably think aluminum would react negatively to an end of the war," Guy Wolf, global head of market analytics at Marex Spectron, said at a seminar in Hong Kong during LME Asia Week. "But probably then that would actually provide a buying opportunity because the production outages are not going to be resolved immediately."

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	13,320	R1	13,330	RSI above 50	Stochastic overbought
S2	13,201	R2	13,480		
S3	13,011	R3	13,670		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI is above 50 (63)
- Stochastic is overbought
- Price is above the daily pivot point USD 13,320
- Technical Outlook Previously: Buyside pressure increasing
- The upside move above USD 13,242 previously signaled an increase in buyside pressure, warning downside moves had a higher probability of being countertrend. Our wave analysis had suggested that we had completed wave A and entered wave B; however, based on the strength of the upside move, alongside the RSI making new highs alongside price, the technical implied that our wave analysis on the correction looked to be wrong. We had momentum support, the 200-period MA had held, while key resistance had been breached; the technical suggested that the USD 13,481.5 fractal high was vulnerable.
- The futures traded to a high of USD 13,462 before seeing bids fade a little into the close. 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 13,320 with the RSI at or below 46.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 13,011 will support a bull argument, below this level will signal an increase in sell side pressure. Key longer-term support remains unchanged at USD 12,309.
- Technical Outlook: Resistance remains vulnerable.
- The RSI has made new highs while the RSI moving average continues to slope higher, suggesting momentum remains supported, warning resistance is considered as vulnerable. Above USD 13,480 we could potentially become divergent with the RSI, this will need to be monitored. Conversely, a close below the low of the last dominant bull candle at USD 13,247 would suggest the futures were entering a corrective phase. Lower timeframe Elliott wave analysis suggests that intraday downside moves should be considered as countertrend at this point, making USD 13,011 the key near-term support to follow.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,459	R1	3,549		RSI below 50
S2	3,393	R2	3,621		
S3	3,304	R3	3,672		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is below 50 (45)
- Stochastic is at 50
- Price is below the daily pivot point USD 3,549
- Technical outlook Previously: buy-side pressure increasing
- We noted yesterday that the negative reversal pattern had failed, while the USD 3,591 resistance had been breached, meaning the probability of the futures trading to a new low had started to decrease. The upside move and resistance break were signaling an increase in buy-side pressure; however, the RSI was in divergence on the 1-hour timeframe, warning intraday support levels could be tested. Due to the conflicting technical, we were neutral.
- The momentum conflict highlighted yesterday resulted in price selling lower due to the negative divergence on the 1-hour timeframe. Price is below the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 3,549 with the RSI at or above 53.5 would mean price and momentum are aligned to the buy-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: Approaching inflection point
- The downside move yesterday means the futures are approaching the intraday 200-period MA at USD 3,462. The failure to sustain a move above USD 3,591 is warning the longer period average could be tested and broken, while a breach in the USD 3,435 support will confirm that the corrective phase is becoming more complex. The technical is approaching an inflection point with the 200-period moving average a key component. If we hold the average, resistance is considered as vulnerable; conversely, a close and hold below it will target the USD 3,435 level as lower. Currently neutral.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,402	R1	3,425	RSI above 50	Stochastic overbought
S2	3,387.5	R2	3,449		
S3	3,374	R3	3,491.5		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (59)
- Stochastic is overbought
- Price is above the daily pivot point USD 3,402
- Technical outlook Previously: Caution on downside moves
- The upside move above the polarity resistance yesterday also had bullish momentum confirmation, meaning we remain cautious on downside moves at these points. The breach above USD 3,425 indicated that the probability of price trading to a new low had started to decrease, further supporting a bull argument.
- The futures treaded to a high of USD 3,442 before selling lower; however, polarity support has held, putting price back at yesterday mornings levels. 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 3,402 with the RSI at or below 49.5 will mean price and momentum are aligned to the sell side. 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
- This technical has momentum support with polarity holding for a second time, suggesting resistance levels are vulnerable. Market buyers should be cautious on a close and hold below USD 3,387.5, as it will signal support is failing.