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(Bloomberg) -- PT Freeport Indonesia pushed back the full restart of its giant Grasberg copper mine by a year, worsening supply constraints that are already impacting the global market for the metal.

The complex in Central Papua province is now targeting a return to full production by early 2028, Freeport Indonesia President Director Tony Wenas said in a statement dated Thursday.

Grasberg was the world's second-biggest producer of copper until operations were hampered by a severe mudflow at the mine last year. Only last month, Wenas said the facility would reach full production by early 2027, following the restart of areas unaffected by the incident.

The development is another blow to global copper supply, which has already endured a series of disruptions at key mines. It's also a problem for the Indonesian government, which derives significant revenue from Grasberg and is currently straining its budget due to the impact of the Iran war.

#### Supply Constraints

Prices for copper surged to a record in January on a wave of speculative buying, before consolidating at historically high levels. Traders are now honing in on the possibility of further supply constraints due to a shortage of sulfur, a key agent needed to process the metal.

Copper on the London Metal Exchange was slightly lower Friday at \$13,345.50 a ton, although on track for a weekly gain of nearly 3%.

Grasberg, a joint venture between US miner Freeport-McMoRan Inc. and the Indonesian government, is currently only producing at around 40% to 50% of capacity, the statement said. In its earnings report last month, Freeport flagged that a slower ramp up of the mine would weigh on sales.

In February, Jakarta agreed to extend the US miner's right to operate Grasberg in return for the free transfer of a 12% stake in PT Freeport Indonesia in 2041. The state already holds a majority share in the local entity.

# Copper Morning Technical (4-hour)



|    | Support | Resistance | Current Price | Bull         | Bear                  |
|----|---------|------------|---------------|--------------|-----------------------|
| S1 | 13,352  | 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 (59)
- Stochastic is overbought
- Price is above the daily pivot point USD 13,352
- Technical Outlook Previously: Resistance remains vulnerable.
- We noted yesterday that the RSI had made new highs while the RSI moving average continued to slope higher, suggesting momentum remained supported, warning resistance was considered as vulnerable. Above USD 13,480 we had the potential to become divergent with the RSI, needed 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 suggested that intraday downside moves should be considered as countertrend at that point, making USD 13,011 the key near-term support to follow.
- The futures have seen a small move lower but have not closed below the USD 13,247 level. We remain 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 13,352 with the RSI at or above 64 will mean price and momentum are aligned to the buy 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.
- Unchanged on the technical this morning, the futures have seen a small move lower but remain above the low of the last dominant bull candle at USD 13,247. A close below this level would signal an increase in sell side pressure, suggesting price is entering into a corrective phase. Based on lower timeframe Elliott wave analysis, we maintain our view that downside moves should be considered as countertrend at this point.

# Aluminium Morning Technical (4-hour)



|    | Support | Resistance | Current Price | Bull                | Bear         |
|----|---------|------------|---------------|---------------------|--------------|
| S1 | 3,464   | R1         | 3,501         | Stochastic oversold | RSI below 50 |
| S2 | 3,459   | R2         | 3,591         |                     |              |
| S3 | 3,393   | R3         | 3,621         |                     |              |

**Synopsis - Intraday**

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (45)
- Stochastic is oversold
- Price is below the daily pivot point USD 3,501
- Technical outlook Previously: Approaching inflection point
- The downside move previously meant the futures are approaching the intraday 200-period MA at USD 3,462. The failure to sustain a move above USD 3,591 warned that 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 was approaching and inflection point with the 200-period moving average a key component. If we held the average, resistance was considered as vulnerable; conversely, a close and hold below it will target the USD 3,435 level and lower. Currently neutral.
- Limited price movement, the futures have seen a small move lower, we are 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 3,501 with the RSI at or above 51.5 would mean price and momentum are aligned to the buyside. 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: Momentum resistance being tested.
- The futures remain above the intraday 200-period MA at USD 3,464, implying price remains supported at this point. The RSI is testing a resistance line that was in play from the 13/04; having been breached the line on the 01/05 we failed to hold above it; however, the line is once again being tested. If we close and hold above the resistance line, and price and momentum become aligned to the buyside, it will warn that resistance levels could be tested and broken. Market bulls should be cautious on a close and hold below the 200-period MA.

# Zinc Morning Technical (4-hour)



|    | Support | Resistance | Current Price | Bull         | Bear                  |
|----|---------|------------|---------------|--------------|-----------------------|
| S1 | 3,433   | R1         | 3,491.5       | RSI above 50 | Stochastic overbought |
| S2 | 3,387.5 | R2         | 3,536         |              |                       |
| S3 | 3,374   | R3         | 3,591         |              |                       |

## 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 3,433
- Technical outlook Previously: Caution on downside moves
- We noted yesterday that the technical had momentum support with polarity holding for a second time, suggesting resistance levels were vulnerable. Market buyers should be cautious on a close and hold below USD 3,387.5, as it would signal support was failing.
- The futures continue to trade higher with price 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 3,433 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 3,183 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook. Resistance vulnerable
- Having held polarity support yesterday price and the RSI continue to achieve new highs. The bullish momentum confirmation is warning that the USD 3,491.5 fractal high could be tested and broken. We remain cautious on downside moves at this point.