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(Bloomberg) -- Copper retreated from a record-high close as the rally started to deter purchases in China, where investors were monitoring the summit between Chinese leader Xi Jinping and US President Donald Trump.

The red metal fell as much as 1.9% on the London Metal Exchange on Thursday, snapping an eight-day rally that had been spurred by mounting supply risks from mine disruptions around the world and bets on demand from the artificial intelligence sector following a surge in related stocks.

Rising copper prices are “notably constraining” Chinese demand, said Xu Wanqiu, an analyst with Cofco Futures Co. Further advances may not be sustainable, though domestic copper prices may still hover around 105,000 yuan (\$15,466.65) a ton as trading logic betting on AI demand remains intact, Xu added.

Overall, Chinese demand has been resilient this year as consumption booms in the energy transition sector, offsetting losses from the traditional property sector. That’s boosted prices 8.6% on the Shanghai Futures Exchange in 2026, helped by renewed purchases in March after the Lunar New Year holidays.

Still, Chinese fabricators saw orders for copper rod, used in electric wires, weaken this month from April and a year ago, as buyers hold off purchases with prices on the SHFE above 106,000 yuan a ton, senior analyst with producer Zhejiang Hailiang Co. Yan Yuhao said, citing an internal estimate.

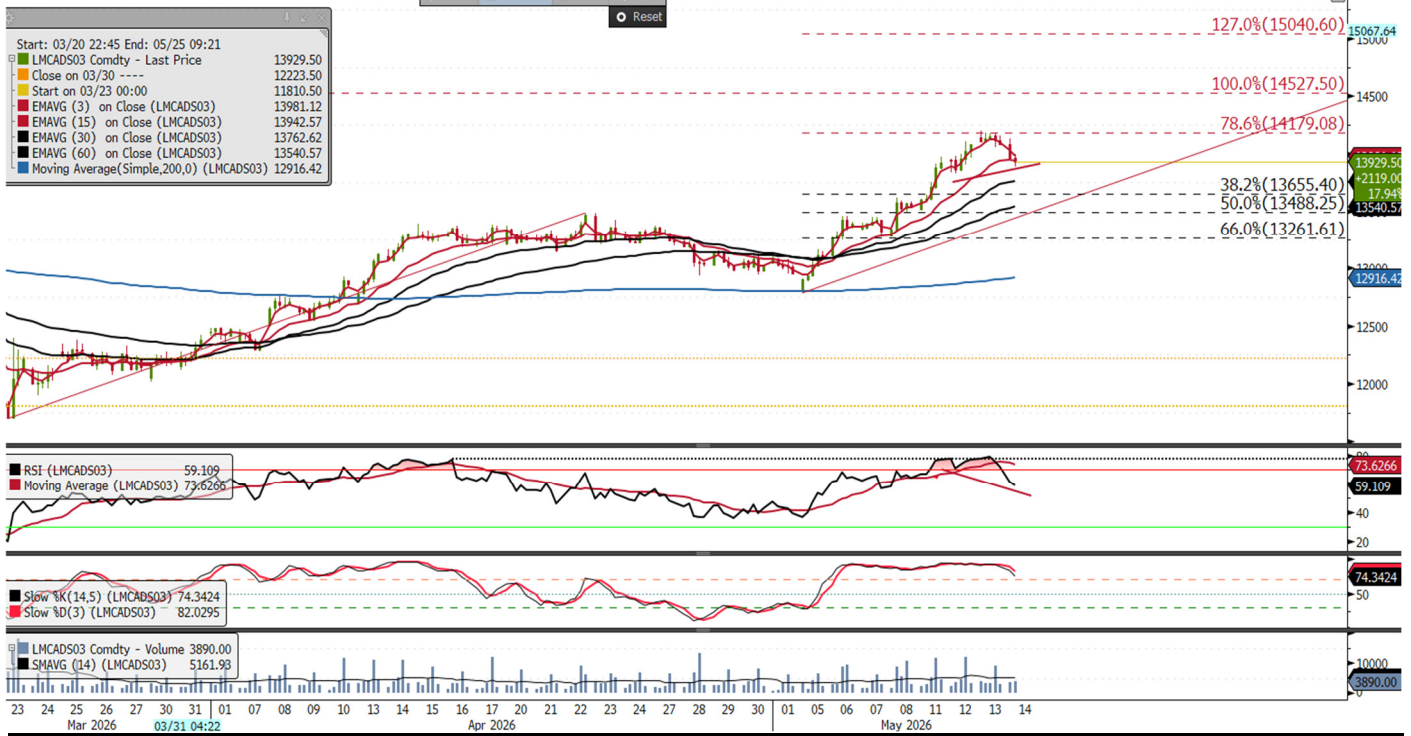
Copper tube orders, used in air conditioners, refrigerators and plumbing will also drop about 20% in May on a monthly basis primarily due to rising prices, Yan said, adding the effective closure of the Strait of Hormuz is dampening demand for the product.

Meanwhile, Xi and Trump kicked off a summit on Thursday, which is a first visit by a sitting US president to Beijing in nearly a decade. Trade, Iran and Taiwan are among key topics up for discussion during the two-day visit.

Traders are also monitoring the Chinese tax authority’s crackdown on the ‘invoicing economy’ or fraudulent trades that inflate revenue, a move that has crimped liquidity in spot metals trading and slowed imports into the country.

Copper was down 1.6% at 13,923.50 as of 11:17 a.m. Shanghai time. The metal also declined 1.1% to 107,340 yuan a ton on the SHFE. Other LME metals were also down, with tin falling 2.5% and nickel declining 1.9%.

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	13,655	R1	14,135	RSI above 50	Stochastic overbought
S2	13,488	R2	14,179		
S3	13,261	R3	14,527		

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 14,135
- Technical Outlook Previously: Downside moves considered as countertrend
- The futures continued to move higher yesterday with the 4-hour RSI testing resistance at 79, while lower timeframe momentum indicators were divergent, warning intraday price action was becoming vulnerable to a corrective move lower. Saying that, we had at least two bullish Elliott wave cycles in play that suggested that downside moves should be considered as countertrend. From a broader trend perspective our wave analysis indicated that the USD 14,527.5 fractal high should in theory be tested and broken, as our higher timeframe wave 3 was currently shorter than wave 1 (this could happen, but was fairly rare, as it would cap the upside on the larger cycle, as the 5 would then have to be shorter than the 3). Bullish, with the RSI at resistance and the 1-hour timeframe divergent, the market was showing signs that it might need to move lower in the near-term
- The futures have entered a corrective phase. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 14,135 with the RSI at or above 74.5 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 13,261 will support a bull argument, below this level will the technical will have a neutral bias.
- Technical Outlook: Downside moves considered as countertrend
- Unchanged on the technical this morning. Price is in a corrective phase due to the lower timeframe negative divergence. However, as highlighted previously, our Elliott wave analytics suggests that downside moves should be considered as countertrend. We also note that the RSI is making new lows ahead of price, meaning we have a positive reversal pattern in play. Resistance remains vulnerable.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,638	R1	3,672	RSI above 50	Stochastic overbought
S2	3,525	R2	3,690		
S3	3,478	R3	3,735		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (68)
- Stochastic is overbought
- Price is above the daily pivot point USD 3,638
- Technical outlook Previously: Buyside pressure increasing.
- We noted yesterday that the upside breakout has momentum support, warning resistance levels are now vulnerable. However, market buyers should be cautious on a close and hold below 3,560 as it will put price back in the symmetrical triangle.
- The futures have traded to new highs. We remain supported with price above all key moving averages while the RSI is above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 3,638 with the RSI at or below 61 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: Downside moves considered as countertrend.
- The futures have seen a small correction that is highlighted by the two rejection candles; however, the pullback remains shallow at this point. Elliott wave analysis suggests that downside moves should be considered as countertrend, the momentum confirmation from the RSI high supported this. Upside moves from here would signal a lower timeframe Elliott wave extension.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,545	R1	3,602.5	RSI above 50	Stochastic overbought
S2	3,492	R2			
S3	3,455	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (77)
- Stochastic is overbought
- Price is above the daily pivot point USD 3,545
- Technical outlook Previously: Bullish momentum confirmation
- The upside move yesterday had resulted on the lower timeframe divergence failing, as the RSI/ROC indicators were making new highs, as was the 4-hour RSI. This implied bullish positive velocity and positive acceleration, meaning we had bullish momentum confirmations, suggesting downside moves had a greater chance of being countertrend, providing they held at or above the USD 3,387 support. The momentum confirmation means the USD 3,591 upside target was becoming increasingly achievable.
- The futures have traded above the USD 3,591 target. 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 3,545 with the RSI at or below 66.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 3,404 will support a near-term bull argument, below this level the technical will have a neutral bias.
- Technical outlook. Downside moves considered as countertrend.
- The futures have moved higher on the bullish momentum confirmation with the RSI continuing to trade at new highs. Volume remains elevated on higher moves while our Elliott wave analysis continues to suggest downside moves should be considered as countertrend, providing throwbacks hold above USD 3,404. Below USD 3,404 the probability of the futures trading to a new high will begin to decrease.