

Metals

(Bloomberg) -- Copper edged lower and iron ore declined for a fifth day as concerns mount that global central banks will take a hawkish turn to fight inflation stemming from the war in the Middle East.

The red metal fell as much as 0.5% to touch \$13,350 a ton in London, its lowest since May 8, while iron ore futures shed as much as 0.9% to hit \$106.80 a ton in Singapore.

Turmoil in global bond markets has dragged metals lower as the stalemate between the US and Iran threatens to intensify the energy shock sweeping the world. Treasuries climbed to their highest since 2007 as speculation grows for a rate hike from the Federal Reserve.

"Expectations for rate cuts in major economies have faded after the inflation surge," said Wei Ying, analyst with China Industrial Futures Ltd.

Metals had rallied earlier in May, with copper hitting a record close and iron ore notching its highest since 2024. But that's given way to caution as the Iran crisis persists. US President Donald Trump on Tuesday threatened the Islamic Republic with a "big hit" if it doesn't agree a peace deal, although he has previously backed off after similar warnings.

Mixed data on China's economy has also muddied the outlook. Figures released earlier this week showed a marked slowdown in local consumption, with exports no longer enough to ease domestic headwinds. Fixed-asset investment made a surprise return to contraction.

"Global growth is largely driven by capital expenditure on artificial intelligence and other technologies, while traditional industries stay weak," China Industrial's Wei said.

Copper was down 0.2% at \$13,390 by 11:34 a.m. Shanghai time, while other base metals fell on the London Metal Exchange. Iron ore on the Singapore Exchange fell 0.7% to trade at \$107 a ton.

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	13,488	R1	13,700	Stochastic oversold	RSI below 50
S2	13,261	R2	13,923		
S3	13,083	R3	14,196.5		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- The RSI is below 50 (41)
- Stochastic is oversold
- Price is below the daily pivot point USD 13,481
- Technical Outlook Previously: Downside moves considered as countertrend
- The futures remained in a corrective phase with out Elliott wave analysis suggesting downside moves should be considered as countertrend yesterday, providing we held at or above the USD 13,261 support. Below USD 13,261 the pullback would be considered as deep, meaning the probability of the futures trading to a new high would start to decrease. A close above USD 13,655 would signal an increase in buy-side pressure, as this is the high of a high volume bear candle; conversely, if the RSI closed and held below the 36 level, then the negative velocity and negative acceleration would suggest that the USD 13,261 support could come under pressure.
- The futures have sold to a low of USD 13,350 before finding light bid support. We are below the EMA support band with the RSI above 50, intraday price and momentum are aligned to the sell side, as the RSI was below is MA on the previous candle close.
- A close on the 4-hour candle above USD 13,481 with the RSI at or above 42 will mean price and momentum are aligned to the buyside. 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: positive divergence in play
- Our Elliott wave analysis suggests that downside moves should be considered as countertrend, providing we hold above the USD 13,261 level. Price is selling lower; however, the RSI is holding above 36, meaning we have a positive divergence in play. The divergence warns sell side momentum could be slowing, but we will need bullish confirmation from price (or support from a non-related indicator) to signal an increase in buyside pressure. USD 13,533.5 is the high of the last dominant bear candle, a close above this level will signal market bulls are starting to take control.

Aluminium Morning Technical (4-hour)



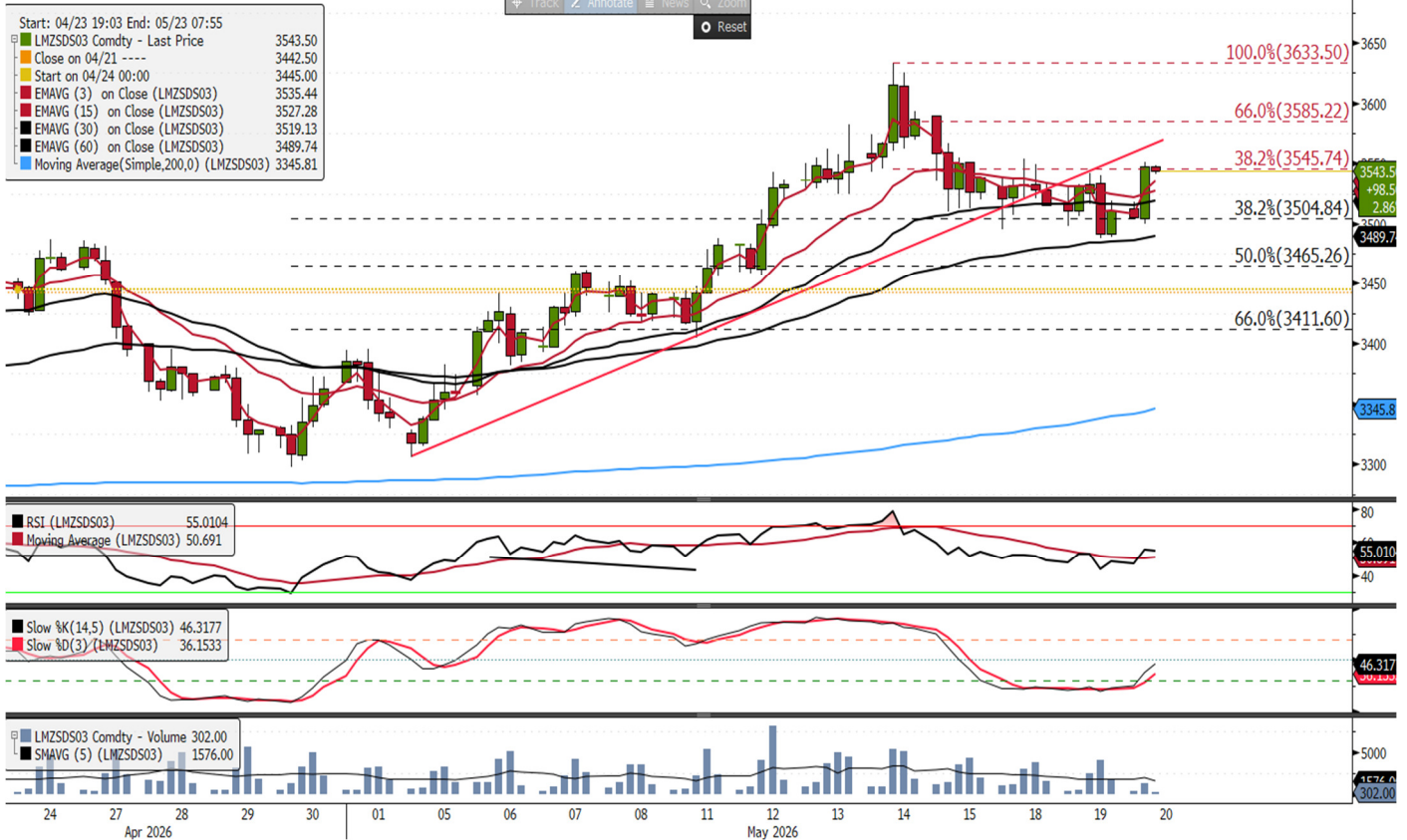
	Support	Resistance	Current Price	Bull	Bear
S1	3,592	R1	3,614.5	RSI above 50	
S2	3,583	R2			
S3	3,533	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (57)
- Stochastic is above 50
- Price is above the daily pivot point USD 3,592
- Technical outlook Previously: Downside moves considered as countertrend.
- Unchanged on the technical yesterday, the futures were holding above the USD 3,533 support, meaning our analysis continued to suggest that we were looking at a bullish throwback, rather than a bearish move. However, if the USD 3,533 support was breached, then the probability of price achieving new highs would begin to decrease. The RSI moving average implied that momentum was weak, but while above USD 3,533 our wave analysis suggested caution on lower moves.
- Bid support yesterday resulted in price closing above the weekly pivot level at USD 3,583. 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 3,592 with the RSI at or below 47 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 3,533 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Buyside pressure increasing
- The futures have closed above the weekly pivot while the RSI has broken resistance, signaling an increase in buyside pressure. We identify USD 3,637 as a key resistance to monitor, as a rejection at or below this level will signal a more complex corrective phase could be coming into play; conversely, if breached, market bulls will look to target the USD 3,690 fractal high.

Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	3,543.5	RSI above 50	
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (54)
- Stochastic is above 50
- Price is above the daily pivot point USD 3,514
- Technical outlook Previously: Downside moves considered as countertrend
- The Elliott wave cycle remained in a corrective yesterday and suggested that downside moves should be considered as countertrend, providing we held above the USD 3,411 Fibonacci support. The futures had effectively moved sideways, resulting in both resistance and support lines being breached. A close back above the resistance line at USD 3,540 (previous support) would signal an increase in buy-side pressure, warning resistance levels could be tested. Conversely, failure to reclaim the support line would suggest continued downside pressure. Price is considered as bullish above USD 3,411 and neutral below.
- The futures are seeing buy-side support with price yet to close above the trend resistance line at USD 3,567. We are above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buy-side.
- A close on the 4-hour candle below USD 3,514 with the RSI at or below 48.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 3,411 will support a near-term bull argument, below this level the technical will have a neutral bias.
- Technical outlook. Downside moves considered as countertrend
- We maintain our view that downside moves should be considered as countertrend, providing we hold above the USD 3,411 support. Price is yet to reclaim the resistance line at USD 3,567; however, the RSI and price are making new highs. The bullish momentum confirmation is a warning that resistance levels are vulnerable.