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(Bloomberg) -- Copper held a gain as investors monitored progress toward a possible deal to end three months of war in the Middle East.

The industrial metal was little changed near \$13,680 a ton on the London Metal Exchange, having risen more than 1% on Friday. The LME was closed Monday for a public holiday.

US President Donald Trump said negotiations with Iran over an interim deal to extend a ceasefire and reopen the Strait of Hormuz were "proceeding nicely," while Pakistani military chief Asim Munir — the main interlocutor between the warring sides — told China an agreement was "close to being reached."

Optimism that a deal could be near was curbed, however, after US Central Command said American forces had struck missile-launch sites in Iran and vessels that it said were trying to place mines. The attack took place south of Larak Island and several Iranian personnel were killed, Iran's state-run Nour News reported, without providing further details.

Copper has risen to near-record highs this month, supported by hopes for a peace deal that would ease inflation concerns as well as a flurry of bets on skyrocketing power use for artificial intelligence. Among its many uses, the metal is a crucial component in the data centers that power AI projects.

Copper edged up 0.1% to \$13,680 a ton on the LME as of 11:07 a.m. in Shanghai. Other metals were mixed, with aluminum down 0.2% at \$3,644 a ton and nickel falling 1.3%. Zinc gained 0.7% to \$3,567 a ton.

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	13,629	R1	13,773	RSI above 50	Stochastic overbought
S2	13,565	R2	13,908		
S3	13,350	R3	14,015		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI is at 50 (53)
- Stochastic is overbought
- Price is above the daily pivot point USD 13,625
- Technical Outlook Previously: buyside pressure increasing
- We noted last week that the move higher on the positive divergence while closing above the high of the dominant bear candle had signaled an increase in buyside pressure. However, we were seeing a small rejection candle at the Fibonacci resistance zone warning we could come under in the near-term. Based on the RSI holding 36 previously we maintained a cautious approach on lower moves.
- The futures traded to a low of USD 13,454.5 before finding light bid support. We are above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 13,625 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 13,261 will support a bull argument, below this level will the technical will have a neutral bias.
- Technical Outlook: momentum warning
- The futures have traded above the high of the intraday rejection candle highlighted last week, we also note that the RSI is making new highs alongside price, implying momentum support. However, the RSI is in the process of breaking trend support, meaning we are seeing early signs of momentum weakness, warning the trend support line at USD 13,629 could be tested and broken. A close and hold below USD 13,629 will indicate sell side pressure is on the increase, leaving price vulnerable to an intraday move lower. As highlighted previously, our Elliott wave analysis suggests throwbacks should be considered as countertrend, providing we hold above the USD 13,261 support.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,653	R1	3,690	RSI above 50	
S2	3,625	R2	3,714		
S3	3,533	R3	3,739		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (62)
- Stochastic is overbought
- Price is above the daily pivot point USD 3,653
- Technical outlook Previously: Buyside pressure increasing
- The upside move above USD 3,637 previously meant that the probability of the futures trading to a new low had started to decrease; indicating buyside pressure had increased. Countering this, we have seen an intraday rejection candle on the on the Asian open that is being followed by price selling lower, warning the weekly pivot level at USD 3,583 could come under pressure in the near-term. Having held the USD 3,533 support and broken the USD 3,637 resistance, we are currently cautious on lower moves.
- The rejection candle failed to hold with price trading to a high of USD 3,684 within the session. Sideways action has been followed by bid support this morning. 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 3,653 with the RSI at or below 57 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: resistance vulnerable
- The upside move above the USD 3,684 high on the open signals price has entered a lower timeframe Elliott wave 5. The new high has created a minor negative divergence; not a sell signal it is a warning that we could see a momentum slow-down, which will need to be monitored. However, Fibonacci projection levels imply that the USD 3,690 and USD 3,714 resistance levels could be vulnerable in the very near-term.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,546.5	R1	3,585	RSI above 50	Stochastic overbought
S2	3,504	R2	3,603		
S3	3,465	R3	3,633		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (52)
- Stochastic is above 50
- Price is above the daily pivot point USD 3,546.5
- Technical outlook Previously: Downside moves considered as countertrend
- Our intraday Elliott wave analysis indicated downside moves should be considered as countertrend previously. However, the RSI was near-neutral with price rejecting the trend resistance line, warning support levels remained vulnerable at that point. For upside continuation we needed to see a close and hold above the USD 3,585, as this was the trend resistance and key Fibonacci resistance. More neutral on Thursday, as the trend rejection meant that we could move lower, but price was not considered a technical sell.
- The futures sold to a low of USD 3,505 before moving higher. 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 3,546.5 with the RSI at or below 52 will mean price and momentum are aligned to the buy 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
- The breach in the USD 3,585 resistance indicates we are seeing an increase in buyside pressure, warning that the USD 3,633.5 fractal high is becoming vulnerable. Price and the RSI are making new highs meaning we have bullish momentum confirmation, while our Elliott wave analysis suggests downside moves should be considered as countertrend at this point.