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(Bloomberg) -- Copper fell from a three-week high amid pessimism over the outlook for a deal to end the Middle East war.

Three-month futures dropped below \$14,000 a ton, after gaining 3% in the week's opening two sessions. Tensions remained high amid an uptick in strikes, including an Iranian attack on Kuwait and the US targeting Qeshm Island.

Copper has been buffeted by the conflict this year, with the war fueling expectations for rate hikes to combat inflation, a move that stands to dampen demand. Still, the hostilities have helped to lift aluminum to a four-year high following strikes against makers of the metal in the Persian Gulf.

Traders of the red metal are also on alert this month for a US tariff decision that may see the administration impose a duty on imports. Ahead of that, copper stockpiles in the US have surged, tightening conditions elsewhere.

Copper fell 0.4% to \$13,983 a ton on the London Metal Exchange, after closing at \$14,040.50 on Tuesday, the highest since May 13. Aluminum was little changed at \$3,756 a ton, while nickel declined 0.5% to \$19,145 a ton.

# Copper Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	13,966	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI is at 50 (65)
- Stochastic is overbought
- Price is below the daily pivot point USD 13,971
- Technical Outlook Previously: Cautious on upside moves.
- The futures remained above the trend support line with the RSI above 50 on Monday. However, as highlighted previously, we had a note of caution on higher moves while below the USD 13,908 level. Above USD 13,908 the probability of price trading to a new low would begin to decrease. The caution was related to wave structure, as the overlapping swing highs and lows implied that we could be looking at a corrective structure, rather than motive, warning the recent bid support could be part of a larger corrective phase.
- Price has continued to move higher resulting in the USD 13,908 resistance being tested and broken. We are above all key moving averages with the RSI above 50, intraday price and momentum are aligned to the buy side, as the previous candle closed above the daily pivot level.
- A close on the 4-hour candle below USD 13,971 with the RSI at or below 60.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 13,665 will support a bull argument, below this level will the technical will have a neutral bias.
- Technical Outlook: Bullish Elliott wave extension
- Previously we had been cautious on higher moves due to the overlapping waves. However, the move above USD 13,908 means that the probability of price trading to a new low has started to decrease. The upside thrust on the 1st and 2nd of this month implies that the move is motive, while the overlapping waves look to have been part of a lower timeframe wave extension; indicating throwbacks should in theory be countertrend, providing the USD 13,665 support is not breached.

# Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	3,747	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (59)
- Stochastic is overbought
- Price is below the daily pivot point USD 3,754
- Technical outlook Previously: Caution on upside moves
- Price remained supported on Monday having broken the USD 3,673 resistance previously. We noted that we had breached the high of the Harami pattern by USD 1.00; however, our lower timeframe Elliott wave analysis indicates the previous cycle looked to have completed, meaning upside moves from here would create a bullish Elliott wave extension. Market longs should be cautious on moves below the USD 3,639.5 fractal support, as it would signal an increase in sell side pressure.
- The futures redid trade to a new high, creating a bullish Elliott wave extension. We are above all key moving averages supported by the RSI above 50. Price is coming under light pressure on the open, meaning price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 3,754 with the RSI at or above 67.5 would mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 3,668 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Bullish Elliott wave extension
- The close and hold above the Harami pattern has resulted in the futures trading to a new high, signaling a bullish Elliott wave extension. The RSI has made a new high alongside price, the bullish momentum confirmation supports the Elliott wave extension, warning downside moves have a higher probability of being countertrend. Price is coming under light pressure on the open, we identify USD 3,668 as a key support level, throwbacks that breach this level will reduce the probability of price trading to a new high.

# Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	3,624	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (63)
- Stochastic is overbought
- Price is above the daily pivot point USD 3,619
- Technical outlook Previously: Supported
- Based on our Elliott wave analysis on Monday we noted that downside moves should be considered as countertrend, while the move above USD 3,583 previously implied the probability of the futures trading to a new low had started to decrease. Throwbacks below USD 3,506 would signal an increase in sell side pressure, warning the USD 3,487 fractal support could come under pressure. If broken, it would signal a more complex corrective phase within the bullish wave cycle.
- The futures have traded to new highs, we are 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 3,619 with the RSI at or below 58.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 3,571 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook. Downside moves considered as countertrend
- The broader trend remains bullish with throwbacks considered as countertrend; likewise, lower timeframe Elliott wave analysis implies corrections should in theory hold above USD 3,571 in the near-term. A breach in the USD 3,571 support would reduce the probability of price trading to a new high within this phase of the cycle, suggesting we could be entering a higher timeframe corrective phase. We highlight USD 3,619 as an area of interest, as it looks to be an upper channel resistance on the weekly timeframe. We should note that there have been breaches in the support and resistance on the channel; however, there has been only one close above the resistance line since June 2025.