

Cu

(Investor's Business Daily) -- The copper price rally continued early Tuesday morning, then lost momentum, amid hopes for a U.S.-Iran peace deal, easing dollar and market positioning for a near-term decision on expanding Trump tariffs on the red metal. Mining stocks including BHP Group, Rio Tinto, Anglo American and Teck Resources trade near buy points, as does the United States Copper Index Fund, a copper stock ETF.

The price of copper briefly rallied within 4% of an all-time high as markets brace for potential Trump tariffs news later this month, with demand already outpacing supply.

COPPER PRICE

Copper price futures climbed 1.1% to \$6.42 a pound early Tuesday morning, before paring gains to less than 1%, trading near \$6.36. On Friday, copper futures pulled back to \$6.25, according to CME Group data.

The slide late last week came as markets sold off amid a surge for the dollar and Treasury yields. The price of copper hit an intraday record of \$6.71 a pound on May 13 and nearly revisited that peak a week ago before the hot May jobs report caused some turbulence.

Copper has generally rallied as hopes brighten for a U.S.-Iran deal that reopens the Strait of Hormuz and avoids global recession. Supply shortages amid AI-fueled demand also are supporting the copper price, with the outlook for supply constrained by mining challenges encountered by Freeport-McMoRan and others.

However, markets also are positioning in case the Trump administration opts for broader tariffs on copper imports. Last June, in making the case for tariffs on imports of semifinished and finished copper imports, the Commerce Department held off on tariffs for refined and unrefined copper, recommending that a 15% tariff on refined copper should take effect in January 2027.

The Commerce Department is set to provide new guidance to the White House by June 30, as to whether a tariff on refined copper is needed. Commerce also could update its prior view that a 25% tariff should start in 2027 on copper input materials.

Morgan Stanley analysts estimate that the market is pricing in 43% odds of a 15% tariff on refined copper being put in place by January 2027, according to an Investing.com article. That implies further room to run if the Commerce Department stands by last year's guidance.

BHP, RIO, FCX

Both copper mining stocks and copper price ETFs have seen up-and-down swings over the past two months as progress toward a U.S.-Iran ceasefire has ebbed and flowed, even as markets positioned for potential tariffs. Mining stocks including BHP, Rio and Anglo American have all slipped back into or below recent buy ranges, following May breakouts above buy points from cup-with-handle bases, according to MarketSurge.

BHP rose 1.25%, Rio 0.75% and NGLOY 1.8% early Tuesday, before pulling back to narrow gains or declines. Teck Resources, which is being acquired by Anglo American, rose 1.1%, then reversed lower, trading around a 62.41 buy point from a cup base.

FCX, which reduced its sales outlook in April due to a slower-than-expected recovery from last fall's mining disaster, added 3.4% early, then pared gains to continue hugging its 50-day moving average.

Southern Copper cut an early 4% gain to 1%.

The CPER ETF rose 1.6%, climbing in a buy range above a 37.66 cup-with-handle buy point. It then trimmed its gain to less than 1%.

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	13,455	R1	13,648	13,535	RSI below 50
S2	13,358	R2	13,750		
S3	13,235	R3	14,767		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- The RSI is below 50 (40)
- Stochastic is oversold
- Price is above the daily pivot point USD 13,648
- Technical Outlook Previously: Caution on upside moves
- The futures had moved higher on light bid support previously; however, we noted that the heaviest volume candle was the rejection of the USD 13,698 resistance, signaling sell side resistance. As highlighted previously, the failure to trade to new highs had resulted in price making lower lows and lower highs, implying the move higher was part of a larger corrective phase. RSI velocity was negative but acceleration was positive, warning the polarity resistance around USD 13,750 could come under pressure in the near-term. A close and hold above the USD 13,750 area would indicate buy-side pressure was on the increase, meaning the USD 13,859 level could be tested. We continued to maintain a cautious approach to higher moves while below the USD 13,859 resistance, as the footprint looked more corrective than motive.
- The futures closed above but failed to hold above the USD 13,750 resistance, resulting in price selling lower. We are below EMA resistance band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 13,648 with the RSI at or above 44.5 will mean price and momentum are aligned to the buyside. Likewise, a close below this level with the RSI at or below 40.5 will mean it is aligned to the sell side. Upside moves that hold at or above the USD 13,859 level will leave the futures vulnerable to further tests to the downside.
- Technical Outlook: Approaching inflection point.
- The upside rejection of the USD 13,859 resistance signals a more complex corrective phase. Price is approaching the 200-period MA at USD 13,482, meaning we are nearing an inflection point. Downside moves that breach the USD 13,464 fractal low from the 27/05, but fail to hold below the intraday 200-period MA will warn of underlying support in the market. However, a close and hold below the USD 13,454 level (61.8% Fibonacci projection) will warn that the USD 13,235 support could be tested.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	3,491	R1	3,513	Stochastic oversold	RSI below 50	
S2	3,456	R2				3,560
S3	3,411	R3				3,570

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (28)
- Stochastic is oversold
- Price is below the daily pivot point USD 3,560
- Technical outlook Previously: Inflection point
- Unchanged on the technical yesterday, the futures were trading on, but remained above the intraday 200-period MA at USD 3,593. Near-term intraday/daily price action was bearish due to price making a lower low; however, the broader weekly trend was bullish above USD 3,451.5. We noted that a close and hold below the 200-MA would leave price vulnerable to further tests to the downside; conversely, we were cautious on downside moves in the near-term while holding above the longer-term intraday MA. Momentum and price made new low on the 05/06, suggesting upside moves could struggle to hold at that point; however, a minor positive divergence yesterday did warn that the next intraday move could be to the upside, providing we held the 200-period MA.
- The futures failed to hold the intraday 200-period MA at USD 3,597, this resulted in the minor divergence failing and price achieving new lows. We are below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 3,560 with the RSI at or above 33.5 would mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 3,570 will leave the futures vulnerable to further tests to the downside, above this level the probability of the futures trading to a new low will begin to decrease.
- Technical outlook: Cautious on upside moves
- The futures have tested but held the USD 3,491 Fibonacci projection level; however, bearish momentum confirmation is warning that upside moves have the potential to be countertrend, providing we remain below USD 3,570. Above USD 3,570 the probability of price trading to new lows will begin to decrease. A close and hold below the USD 3,491 level will warn that the USD 3,411 support could be tested, as this is the 100% projection of the initial move lower.

Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	3,542.5		RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (50)
- Stochastic is oversold
- Price is below the daily pivot point USD 3,558
- Technical outlook Previously: Caution on upside moves
- Price was finding bid support yesterday warning that resistance levels could come under pressure in the near-term. However, as noted previously, the move below USD 3,542 suggested that we had entered a higher timeframe Elliott wave corrective phase, while the bearish momentum confirmation warned that upside moves could struggle to hold. For this reason, we maintained a cautious approach to higher moves while below the USD 3,608 resistance.
- The futures traded to a high of USD 3,600, with the RSI thrust warning resistance could be tested and broken. However, bears did step in to defend the USD 3,608 level, resulting in price selling lower. We are below the EMA support band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 3,558 with the RSI at or below 41.5 will mean price and momentum are aligned to the sell side; likewise, a close above the level will mean it is aligned to the buy side. Downside moves that hold at or above USD 3,420 will support a longer-term bull argument, below this level the higher timeframe Elliott wave cycle will have a neutral bias.
- Technical outlook: Support vulnerable
- The upside rejection of the USD 3,608 resistance means that the USD 3,513 fractal low is vulnerable. However, we have a note of caution on downside breakouts below USD 3,513 as price could be divergent with the RSI. This is not a buy signal, it is a warning that sell side momentum could slow, which would need to be monitored.