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(Bloomberg) -- Copper rallied and mining equities surged after President Donald Trump claimed the US was on the cusp of ending the war with Iran that has clouded prospects for the global economy.

Trump said the pact isn't finalized but an agreement could be signed as soon as this weekend, although there's been no confirmation from Iran. Axios reported that US and Iranian negotiators have agreed the text of a deal that would extend their ceasefire for 60 days and address Iran's uranium stockpiles.

The potential end to hostilities triggered broad gains for metals and sent Chinese copper miners including Zijin Mining Group Co. and CMOG Group Ltd. higher amid a spike in trading activity.

An agreement after more than three months of war would offer relief to metals that otherwise stand to benefit from growing investment in artificial intelligence, power infrastructure and renewable energy. Demand for copper in China has proved relatively resilient, while the prospect of US tariffs on the metal also offers upside risk for LME prices.

A more stable macroeconomic environment will help prices rebound toward levels seen earlier this year, said Jia Zheng, trading manager at Suzhou Chuangyuan Harmony-Win Capital Management Co. China's domestic copper inventories have continued falling and orders from downstream manufacturers have been robust, she said.

Copper rose 1.7% to \$13,712 a ton by 11:38 a.m. Shanghai time, while aluminum gained 1.2% and zinc rose 1.1%. Zijin, China's biggest miner of both copper and gold, jumped as much as 9.8% in Hong Kong for its biggest gain since 2023, while CMOG gained more than 14% at one point and Jiangxi Copper Co. rose as much as 10.6%.

Long-term demand prospects for copper are increasingly driving optimism for prices. Jefferies Financial Group Inc. earlier this week delivered a bullish upgrade to its copper forecasts, while adding that a global recession would be a major risk. A plan by Beijing to spend around 2 trillion yuan (\$295 billion) over the next five years on nationwide computing networks underscored the bullish demand outlook.

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	13,504	R1	13,703	RSI above 50	
S2	13,491	R2	13,825		
S3	13,358	R3	13,910		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- The RSI is above 50 (55)
- Stochastic is below 50
- Price is above the daily pivot point USD 13,491
- Technical Outlook Previously: holding support
- We noted yesterday that price was holding support from mid-May, resulting in an inverted hammer candle, while the RSI was in divergence. The intraday technical suggested caution on downside moves; however, for upside continuation, the futures will need to close and hold back above the 200-period MA. If it did, it would leave resistance levels vulnerable.
- The futures held support on the inverted hammer resulting in price trading into the Fibonacci resistance zone. 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 13,491 with the RSI at or below 42 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 13,825 will leave the futures vulnerable to further tests to the downside.
- Technical Outlook: Inflection point.
- The futures are testing a trend resistance line at USD 13,703, if we close and hold above it, then it will further support a buyers argument. Momentum is conflicting, the RSI trend break (red dotted line) signals that it is starting to strengthen, warning the futures trend resistance could be broken; however, the counter to this is a negative reversal pattern. The RSI is making new highs, price is not, this is a warning that support levels could come under pressure in the near-term, bringing into focus the USD 13,504 support. Throwbacks that hold above this level will signal that there is underlying support in the market; conversely, if broken, the USD 13,378 support becomes a target. The negative reversal pattern at trend resistance means we are cautious on upside moves in the near-term, unless we see a confirmed trend breakout that results in the USD 13,825 resistance being broken.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	3,502	R1	3,522		RSI below 50	
S2	3,456	R2				3,586
S3	3,411	R3				3,621

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (41)
- Stochastic is below 50
- Price is above the daily pivot point USD 3,502
- Technical outlook Previously: Positive divergence
- We had four failed test to the downside previously, resulting in bullish wicks and a positive RSI divergence, this suggested that sell side pressure was showing signs of exhaustion. We had closed below the USD 3,491 level but had yet to see if we would hold below it; If we did, price is going to need to hold below the low of the support candle at USD 3,461 (correction) as well. From a technical perspective, there was evidence of buy-side support, implying caution on downside moves in the near-term, this brought the USD 3,566 resistance into focus. Pullbacks that rejected the USD 3,566 level will leave support vulnerable; conversely, if broken, then the probability of new lows being achieved will begin to decrease.
- The have traded to a high of USD 3,547, we remain below the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the buy-side.
- A close on the 4-hour candle above USD 3,502 with the RSI at or below 30.5 would mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 3,566 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: Negative reversal pattern in play
- The upside move has resulted in the RSI making new highs, however, price has not. This is a warning that price action is weaker than momentum, meaning resistance levels are still considered as vulnerable. We are cautious on upside moves while below the USD 3,566 level.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,455	R1	3,554		
S2	3,415	R2	3,587		
S3	3,382	R3	3,613		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is at 50 (50)
- Stochastic is below 50
- Price is above the daily pivot point USD 3,490
- Technical outlook Previously: Sell side pressure increasing
- The downside move previously had resulted in price closing and holding below the intraday 200-period MA at USD (3,483), while the stochastic divergence had failed. The RSI was crossing the 30 line meaning we had negative velocity and negative acceleration, signaling we had bearish momentum confirmation. This warned that upside moves had the potential to be countertrend, meaning momentum would need to be monitored. A close and hold back above the 200-period MA would signal intraday buyside support; however, upside moves that failed at or below USD 3,587 would warn of a more complex corrective phase coming into play.
- The futures found bid support yesterday resulting in price close back above the intraday 200-period MA at USD 3,488. We are below the EMA resistance band with the RSI neutral at 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 3,490 with the RSI at or below 38 will mean price and momentum are aligned to the sell 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: Neutral
- In theory we remain cautious on upside moves due to the bearish momentum highlighted yesterday, alongside price remaining below the USD 3,587 resistance; however, we acknowledge that momentum is turning neutral, as the RSI is now at 50. Price has close above the intraday 200-period MA, signaling an underlying support in the market, this is the counter to the bearish momentum, hence the neutrality.