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(Bloomberg) -- Copper fell as the Federal Reserve's hawkish stance and a rising US dollar continued to weigh on sentiment toward industrial metals.

Three-month futures dropped toward \$13,300 a ton in London, following two weekly declines. Fed policymakers have signaled growing support for interest-rate hikes in the coming months to combat sticky US inflation. That stance tends to aid the US currency, posing a headwind for raw materials.

Fed Bank of Richmond President Tom Barkin warned on Sunday inflation was too high, although he did see tentative signs that price pressures may moderate soon. A report last week showed the personal consumption expenditures index rose 4.1% in the year through May, the most since April 2023.

Copper is on track for a monthly loss of more than 2% in June, after posting a record close the month before. Traders are tracking the outlook for US monetary policy, with a gauge of the US currency hitting the highest since November last week. US trade policy is also in focus amid expectations the Trump administration may opt to impose a levy on flows of refined metal.

A strong dollar will remain in place amid resilient US economic data, pressuring base metals, said Harry Jiang, a trader at China-Base Ningbo Group Co.

Elsewhere, Goldman Sachs Group Inc. said it saw the Iran conflict ultimately aiding metals demand. An increased reliance on electric vehicles, further investments in renewable power, higher defense spending and growing competition to win the artificial-intelligence race are themes that would support copper demand, analysts including Samantha Dart said in a note.

The bank recently raised its end-2026 and average-2027 copper forecasts to \$13,735 a ton and \$13,800 a ton, respectively.

Copper fell as much as 0.7% to \$13,267.50 a ton on the London Metal Exchange, and traded at \$13,330 at 10:33 a.m. in Shanghai. Other metals were flat to higher, with aluminum steady and nickel up 0.6%. In Singapore, iron ore declined 1% to \$97.75 a ton.

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	13,272	R1	13,342		RSI below 50	
S2	13,232	R2				13,585
S3	13,122	R3				13,699

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- The RSI is below 50 (49)
- Stochastic is above 50
- Price is above the daily pivot point USD 13,272
- Technical Outlook Previously: Upside moves considered as countertrend.
- The upside move to a high of USD 13,316 previously indicated that we had entered the higher timeframe corrective phase. Our Elliott wave analysis continued to suggest that upside moves should be considered as countertrend, providing we remained below the USD 13,585 level. The RSI was at 35, with intraday price showing downside rejection; if the RSI remained below 40, then support has a higher chance of being tested in the near-term. However, if the RSI reclaimed the 40 level it would warn of momentum support, meaning Fibonacci resistance could start to come under pressure. We noted that the RSI had broken near-term resistance, price had not, meaning we had a negative reversal pattern in play, supporting our wave analysis, and suggesting caution on higher moves.
- The RSI has reclaimed 40 resulting in price testing but remaining below the EMA resistance band. The RSI is neutral at 49 while price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 13,272 with the RSI at or below 37 would mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 13,585 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technical Outlook: Upside moves considered as countertrend.
- The RSI has reclaimed 40 implying near-term momentum support; however, our Elliott wave analysis suggests upside moves should in theory be countertrend, we also highlight that the negative reversal pattern remains in play below USD 13,482. A neutral RSI does have a rising moving average, this also implies light momentum support; this is countered by price producing a three-wave pattern to the upside, which, in Elliott Wave theory, is typically associated with a corrective (countertrend) move. From a technical perspective, momentum is supported, meaning resistance remains vulnerable in the near-term, but the broader trend is still considered as bearish below USD 13,585, and neutral above.

Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	3,183		RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (40)
- Stochastic is above 50
- Price is above the daily pivot point USD 3,177
- Technical outlook Previously: Upside moves considered as countertrend
- Our Elliott wave analysis continued to suggest that upside moves should be considered as countertrend last week, providing we remained below the USD 3,318 resistance. We were seeing light bid support on lower volume, suggesting we lacked upside intensity; we also noted that the RSI high was not being replicated by price, meaning we had a negative reversal patten in play. We were cautious on higher moves; however, above USD 3,275 would mean that the negative reversal pattern had failed, implying buyside momentum could be intensifying.
- The futures continue to see light bid support. We remain below all key moving averages with the RSI below 50, intraday price and momentum are conflicting, as the previous candle closed below the daily pivot level.
- A close on the 4-hour candle below USD 3,177 with the RSI at or below 30 would mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is aligned to the buyside. Upside moves that fail at or below USD 3,318 would leave the futures vulnerable to further tests to the downside, above this level the probability of the futures trading to a new low within this phase of the cycle would begin to decrease.
- Technical outlook: Upside moves considered as countertrend
- Unchanged on the technical this morning, our Elliott wave analysis continues to suggest that upside moves should be considered as countertrend, providing we remain below the USD 3,318 resistance. We continue to see light bid support on lower volume, implying the upside move lack intensity; we also note that the negative reversal patten remains in play. We are continue to be cautious on higher moves; however, above USD 3,275 would mean that the negative reversal pattern has failed, this would indicate that buyside momentum could be intensifying.

Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	3,502	RSI above 50	
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is above 50 (53)
- Stochastic is above 50
- Price is above the daily pivot point USD 3,454
- Technical outlook Previously: Positive divergence
- We noted on Friday that the futures had a 5-wave pattern lower with price and the RSI divergent, meaning we are cautious on lower moves. The 5th wave was holding the 61.8% Fibonacci support at USD 3,385; if we closed and hold below this level then we will look to test the USD 3,347 level. Technically, the futures were vulnerable to higher moves.
- Price has moved higher with the futures trading between the EMA resistance band. The RSI is above 50 with price and momentum aligned to the buyside.
- A close on the 4-hour candle below USD 3,454 with the RSI at or below 37 would mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 3,540 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technical outlook: Buyside pressure increasing
- The RSI is above 50 and moving higher alongside price, meaning we have positive velocity and acceleration, suggesting downside moves have the potential to be countertrend. We identify USD 3,540 as a key resistance on the technical, as upside moves that reject this level would suggest that the corrective phase is becoming more complex; however, above USD 3,540 would further support a buyer's argument.