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(Bloomberg) -- Copper rose with other industrial metals, supported by a weaker US dollar and reduced expectations that the Federal Reserve will raise interest rates in the coming months.

The red metal climbed as much as 1% on the London Metal Exchange on Friday, leaving it poised to snap a two-week losing streak. Weak US jobs data curbed bets on higher borrowing costs and eased some of the downward pressure on industrial demand.

A gauge of the dollar declined for a second day, making metals cheaper for holders of other currencies.

Industrial metals have been under pressure in recent weeks after US policymakers signaled growing support for tighter monetary policy. Aluminum in particular has dropped back to pre-war levels on expectations of returning supplies from the Middle East, with more vessels transiting the Strait of Hormuz since the US and Iran struck an interim peace deal last month. Brent crude traded almost flat this week after erasing its war gains.

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"The dollar retreated following the decline in oil prices and weakening US employment data, which is benefiting copper," said Li Xuezhi, head of research at brokerage Chaos Ternary Futures Co. "But the upsides will remain limited by continued weakness in traditional industries," he added.

Copper advanced 0.7% to \$13,413 a ton on the LME as of 10:35 a.m. in Shanghai. Aluminum gained 0.6% to \$3,110 a ton, while nickel surged 1.8% to \$16,540 a ton. Zinc and tin also rose.

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	13,294	R1	13,400.5	RSI above 50	
S2	13,145	R2			
S3	13,087	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- The RSI is above 50 (54)
- Stochastic is above 50
- Price is above the daily pivot point USD 13,294
- Technical Outlook Previously: Upside moves considered as countertrend.
- The futures traded to a low of USD 13,103.5 yesterday: we noted that the breach in the USD 13,145 support warned of an increase in sell-side pressure, while the rejection of the weekly pivot level at USD 13,550 indicated that we were seeing market sellers at higher levels. Elliott wave analysis continued to suggest that upside moves should be considered as countertrend, providing we remained below the USD 13,585 resistance. Although we were seeing signs of technical weakness, the futures were going to need to close below the low of the high volume bear candle at USD 13,161.5. If we did, it would signal that the USD 12,988 Fibonacci support was becoming vulnerable.
- The early move lower failed to close below the USD 13,161.5 level, resulting in the double top formation now coming under pressure. 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 13,294 with the RSI at or below 46 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: Testing resistance
- The futures are testing the double top resistance at USD 13,452, while the negative reversal pattern is in play below USD 13,482, meaning we have small resistance zone forming. In theory, our Elliott wave analysis suggests caution on higher moves, providing we remain below the USD 13,585 level; above USD 13,585 the probability of the futures trading to a new low will begin to decrease. A failed swing low yesterday warns of buyside support in the market; if we trade above the USD 13,482 level, and close hold above the USD 13,452 level, it will signal that buyside pressure is intensifying. In this scenario, market buyers will look to test and break our key resistance at USD 13,585.

# Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,075	R1	3,158	3,104.5	RSI below 50
S2	3,040	R2	3,207.5		
S3	2,974	R3	3,232		

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (46)
- Stochastic is below 50
- Price is above the daily pivot point USD 3,075
- Technical outlook Previously: Caution on downside moves
- Selling pressure remained yesterday but the RSI was diverging from price, suggesting bearish momentum was weakening. A break below USD 3,045.5 would strengthen the divergence and complete a potential 3 Peaks and Troughs exhaustion pattern, indicating caution on further downside, as the market may be nearing a reversal. We noted that divergences were conditions, meaning we would need to see a bullish confirmation pattern to signal that the divergence was being respected.
- The futures traded to a new low resulting in the exhaustion pattern coming into play. Price has moved higher but we remain below the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 3,075 with the RSI at or below 36.5 would mean price and momentum are aligned to the sell-side. Upside moves that fail at or below USD 3,537 would warn that there could be a larger corrective Elliott wave cycle in play.
- Technical outlook: Caution on downside moves
- An exhaustion pattern alongside a positive divergence has resulted in price trading above the USD 3,103 fractal resistance signaling buyside pressure is increasing; however, we remain below the EMA resistance band at this point. Pullback below USD 3,040 are likely to create further divergence, meaning we maintain a cautious approach to downside breakouts.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,492	R1	3,525	RSI above 50	
S2	3,472	R2	3,569		
S3	3,445	R3	3,619.5		

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (55)
- Stochastic is below 50
- Price is above the daily pivot point USD 3,469
- Technical outlook Previously: Caution on downside moves
- Based on the 5-wave pattern lower previously, coupled with price moving higher on a positive divergence with the RSI, the technical suggests downside moves should in theory be countertrend yesterday. However, the RSI was seeing negative velocity and acceleration, warning the USD 3,445 support was vulnerable. If broken, then price would re-enter bearish territory; if we did, then we would become technically neutral, as the pullback would be deeper than expected.
- We noted in the Mid-Day report that although price had traded below the USD 3,445 level, taking the technical into neutral territory, the Dragonfly Doji meant that for downside continuation we needed a 4-hour close below 3,432.5 as the Doji was a support candle. The subsequent upside move means that price is above the USD 3,515 resistance. We are above the EMA resistance band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 3,469 with the RSI at or below 47.5 would mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 3,445 will support a buyers argument, below this level the technical will re-enter bearish territory.
- Technical outlook: Caution on downside moves
- The futures breached the USD 3,445 support on the throwback yesterday, but have also breached the USD 3,515 level on the upside move this morning, meaning downside moves should now be considered as countertrend. The pullback was deeper than expected, suggesting market buyers should look for a close and hold above the intraday 200-period MA to signal an increase in buy-side pressure.