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(Bloomberg) -- Copper snapped a two-day loss as it shrugged off a fresh round of US strikes on Iran to track broader gains in risk assets.

The industrial metal rose as much as 1.3% in London. That partially trimmed a larger loss in the previous session sparked by the escalation of the Iran conflict, mirroring similar rebounds in equities.

The resumption of hostilities in Iran threatens to once again restrict energy supplies from the Strait of Hormuz, curbing economic growth and demand for industrial commodities like copper. The metal has largely traded in a relatively narrow range since an interim peace deal was signed last month, but may break lower if the war restarts in earnest.

Rising energy prices may also shift the outlook for US inflation and lead to higher Federal Reserve interest rates, which tend to damp demand for non-yielding assets like metals. Minutes from the central bank's June meeting showed a few officials saying there was a case for further monetary tightening, although interest rates were left on hold.

"The risk of tighter US monetary policy and a stronger USD do not help," analysts at Bank of America Corp. said in a note. "Tight supply and resilient demand from the electrification of the global economy should ultimately be supportive for copper."

Copper rose 1.2% to \$13,324.50 a ton on the London Metal Exchange as of 2:12 p.m. in Singapore. Zinc climbed 1.4% and aluminum added 0.4%.

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	13,263	R1	13,386	RSI above 50	
S2	13,145	R2	13,452		
S3	13,087	R3	13,482		

Synopsis - Intraday

Source Bloomberg

- Price is above 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 13,263
- Technical Outlook Previously: Consolidating
- We noted on Tuesday that our Elliott wave analysis continues to suggest that upside moves should be considered as countertrend, providing we remained below the USD 13,585 resistance. As highlighted previously, for upside continuation, price would need a high volume breakout above USD 13,482 that held above the double to formation at USD 13,452. A close below the trend support line at USD 13,306 would signal an increase in sell side pressure, warning support levels could be tested. While in the ascending triangle, near-term price action is considered to be neutral.
- The futures broke to the downside on Wednesday but help the USD 13,145 Fibonacci support, resulting in price trading back up to the resistance line at USD 13,386. We are back 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 13,263 with the RSI at or below 45.5 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: inflection point
- The futures re testing trend resistance at USD 13,386, meaning we are at an inflection point. A close and hold above the resistance line will warn that the USD 13,452—USD 13,482 resistance zone could come under pressure. However, price is going to need to trade above the USD 13,585 Fibonacci resistance, and hold above the intraday 200-period MA at USD 13,566 to signal genuine buyside pressure. We highlight this as our Elliott wave analysis continues to suggest that upside moves have the potential to be countertrend. We note that the upside move in the Asian day session has been on low volume; price needs to see an increase in volume on further upside moves, otherwise we could struggle to hold. Market buyers should act with caution if price fails to close above the rising resistance line at USD 13,586.

Aluminium Morning Technical (4-hour)



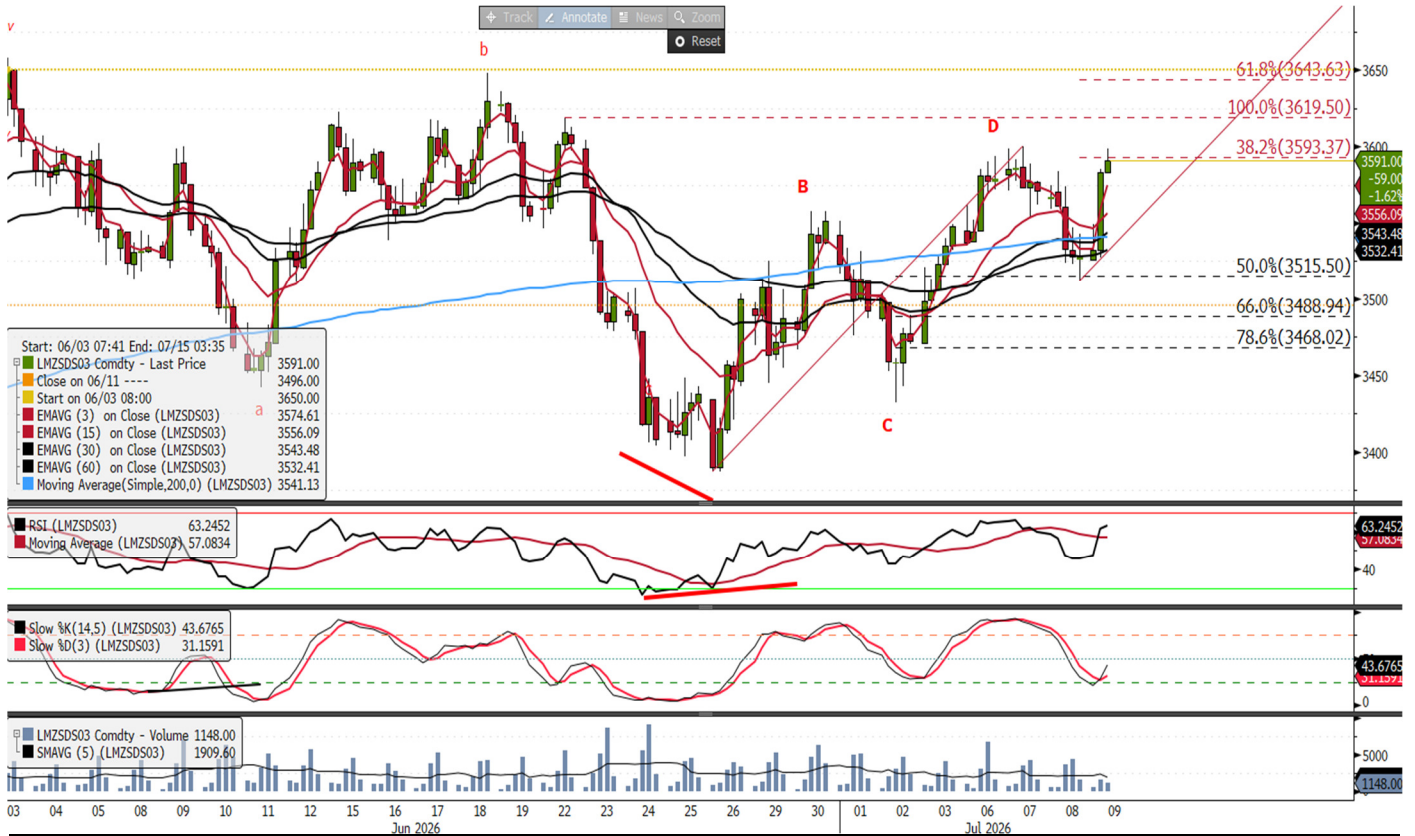
	Support	Resistance	Current Price	Bull	Bear
S1	3,143	R1	3,207.5	RSI above 50	
S2	3,040	R2	3,232		
S3	2,974	R3	3,379		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is above 50 (59)
- Stochastic is above 50
- Price is above the daily pivot point USD 3,143
- Technical outlook Previously: Caution on downside moves
- Unchanged on the technical previously, we remained supported due to the exhaustion pattern and positive RSI divergence, meaning a cautious approach to downside breakouts below USD 3,040 was warranted, as this would create further positive divergences. The RSI moving average implied momentum support, while price and momentum were aligned to the buy-side; however, we continued to lack bullish impetus on the technical. A move above the USD 3,207.5 was needed to signal an increase in buy-side pressure.
- The futures remain supported with price trading between the EMA resistance band while the RSI is now above 50, intraday price and momentum are aligned to the buy-side.
- A close on the 4-hour candle below USD 3,143 with the RSI at or below 53.5 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
- We continue to be caution on downside moves due to the divergence and exhaustion pattern highlighted previously. However, the RSI is now at 59, if we fail to close and hold above the 60 level, it will leave price vulnerable to an intraday throwback. If a weakening RSI goes on to close and hold below the 40 level, then market bulls should act with caution, as it will signal a further weakening of momentum. Conversely, if the RSI holds above the 60 line, and moves above 70, then the momentum push will warn that the technical condition is improving; however, it is imperative that momentum support is matched by price, meaning we will need to see the futures above the USD 3,207.5 level fractal resistance.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,541	R1	3,591	RSI above 50	
S2	3,515	R2			
S3	3,488	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (63)
- Stochastic is below 50
- Price is above the daily pivot point USD 3,541
- Technical outlook Previously: At resistance
- Having held above the intraday 200-period MA previously, the futures continued to see positive velocity and acceleration, alongside bullish momentum support, warning throwbacks had a higher probability of being countertrend; however, the 100% Fibonacci projection of the A-B = C-D pattern was at USD 3,603.5. This is a natural area of resistance for recent market longs to take profit, hence the high volume indecision candle in the European afternoon session on Monday. Throwbacks that held above USD 3,488 would support a bull argument; conversely, if breached it would signal an increase in sell side pressure. For upside continuation, market bulls would need to see a close and hold above the USD 3,603.5 resistance. We had a note of caution on higher moves while below USD 3,603.5, as there was evidence from the high volume candle previously that the market was respecting it, or at the very least, aware of the pattern.
- The futures rejected the USD 3,603.5 resistance resulting in price selling to a low of USD 3,512 yesterday; However, we are seeing bid support again this morning, with the USD 3,603.5 resistance coming back under pressure. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 3,541 with the RSI at or below 55 would mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 3,488 will support a buyers argument, below this level the technical will re-enter bearish territory.
- Technical outlook: Buyside pressure increasing
- We had downside moves as countertrend previously, resulting in price moving higher this morning. If we close and hold above the USD 3,603.5 level then market buyers will look to target the USD 3,643 Fibonacci resistance. Note: volume remains light, for upside moves to be sustained we will need to see higher volumes.