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(Bloomberg) -- Copper held a modest drop, as traders weighed the risk that a US tariff on imports of refined metal may not be adopted.

Benchmark three-month futures traded near \$14,340 a ton in London, after dropping 0.5% on Monday. While the prospect of a US levy has drawn vast amounts of copper into US warehouses this year — tightening conditions elsewhere — as President Donald Trump nears the halfway mark on his second term, some bulls are growing wary that he may not follow through.

“It’s all about US tariffs — the possibility of introducing tariffs is fading somewhat,” said Jiang Hang, a trader at China-Base Ningbo Group Co. “Copper would face a significant pullback if tariffs don’t come through.”

Copper Morning Technical (4-hour)



	Support	Resistance	Current price	Bull	Bear
S1	14,362	R1	14,404		
S2	14,317	R2	14,478		
S3	14,213	R3	14,549		
			14,387.5		RSI below 50

Synopsis - Intraday

Chart Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- The RSI below 50 (47)
- Stochastic is below 50
- Price is above the daily pivot point USD 14,404
- Technical Outlook: Neutral
- The rejection from the symmetrical triangle on Friday had failed to hold below the 200-period MA; however, price was still below trend resistance yesterday, indicating near-term price action was neutral. A close and hold below the 200-period MA was needed for downside continuation; Conversely, a close and hold above the resistance line would confirm a neutral technical, as the futures would be back in the symmetrical triangle. A move above the USD 14,509.5 would signal that intraday buyside pressure was increasing; however, key resistance was at USD 14,549, a rejection at or below this level would signal that we could be looking at a more complex corrective phase, while a move above USD 18,549 would reduce the probability of the futures trading at a new low.
- The futures closed sold at a low of USDD 14,207 yesterday, we remain below all key moving averages supported by the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 14,404 with the RSI at or below 44 would mean price and momentum are aligned to the sell-side; likewise, a close above this level with the RSI at or above 48.5 would mean it is aligned to the buyside. Upside moves that fail at or below USD 14,549 would leave the futures vulnerable to further tests to the downside, above this level the probability of price trading at a new low would start to decrease.
- Technical Outlook: Momentum support
- The futures have closed below the 200-period MA at USD 14,404 with price currently producing a retest of the average, meaning we are at an inflection point. However, the RSI has held above the 40-level warning we are seeing evidence of support, suggesting caution if we close back above the longer-term average, as it will warn that resistance levels could be tested. If we reject the average and the RSI starts to close and hold below the average, then it would warn that the technical condition is starting to weaken. Although below the 200-period MA, further downside is needed supported by momentum weakness, indicating near-term price action remains neutral. USD 14,509.5 remains an important fractal resistance, as a move above this level would signal an increase in buyside pressure.

Aluminium Morning Technical (4-Hour)



Support		Resistance		Current price	Bull	Bear
S1	3,013	R1	3,030	3,021		Stochastic overbought
S2	2,948	R2	3,046			
S3	2,924	R3	3,054			

Synopsis - Intraday

Chart Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is at 50 (50)
- Stochastic is overbought
- Price is above the daily pivot point USD 3,013
- Technical outlook Previously: Upside moves considered as countertrend
- Our Elliott wave analysis continued to suggest that upside moves should be considered as countertrend yesterday, while below USD 3,046 there remained a negative reversal pattern in play, this also implied caution on higher moves. Above USD 3,046 both price and the RSI would have made a higher high, indicating bullish momentum confirmation, warning the USD 3,087 resistance could be tested. We continue to identify USD 3,087 as the key near-term resistance, if breached, then the lower timeframe Elliott wave cycle would become neutral within the broader bearish trend.
- The futures remain supported but 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 below USD 3,013 with the RSI at or below 43.5 would mean price and momentum are aligned to the sell-side. Upside moves that fail at or below USD 3,087 would warn that support levels could come under further pressure, above this level the technical would have a neutral bias.
- Technical outlook: Upside moves considered as countertrend
- The futures remain support having traded at a high of USD 3,09.5 going into the close yesterday. Our Elliott wave analysis continues to suggest that upside moves should be considered as countertrend, while the negative reversal pattern remain in play while below USD 3,046. Above USD 3,046 the futures and the RSI would both have made new highs, signaling bullish momentum confirmation, warning the USD 3,087 resistance could be tested. We continue to identify USD 3,087 as the key near-term resistance, if breached, then the lower timeframe Elliott wave cycle would become neutral within the broader bearish trend.

Zinc Morning Technical (4-Hour)



Support	Resistance	Current price	Bull	Bear
S1	R1	3,697		RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Chart Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (45)
- Stochastic is overbought
- Price is below the daily pivot point USD 3,710
- Technical outlook Previously: Inflection point
- The futures remained at an inflection point yesterday, as we remained just below the USD 3,706 level; if rejected it would signal that polarity resistance was forming, warning that the USD 3,650 fractal low could come under pressure. The caveat, any move lower is going to need the RSI to close and hold below 40 to signal downside continuation. Conversely, market sellers should act with caution on a close and hold above USD 3,706, as it would warn that the USD 3,766 resistance could be tested and broken. If it was, then the probability of the futures trading at a new low would start to decrease.
- The futures traded at a high of USD 3,743.5 before selling lower on the European open. We are below the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the buy-side, as the previous candle closed above the daily pivot level.
- A close on the 4-hour candle below USD 3,710 with the RSI at or below 44.5 would mean price and momentum are aligned to the sell-side. Upside moves that fail at or below USD 3,766 would warn that support levels could come under further pressure.
- Technical outlook: Trend support
- The futures are selling lower on with price testing the trend support line at USD 3,695. A close and hold below the support line would warn that the USD 3,650 fractal low could be tested; however, caution will be warranted on lower moves if the RSI holds the 40 level. Conversely, if the trend support holds, having seen the RSI hold the 40 level previously, then the USD 3,766 could be tested. If broken, then the probability of the futures trading at a new low would begin to decrease.

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