

Al

(Bloomberg) -- Copper fell with other industrial metals, as a selloff in AI-related stocks sapped risk appetite across global markets.

The red metal slipped as much as 0.7% to \$14,260 a ton on the London Metal Exchange. Asian shares slid after earnings from major tech companies failed to reassure investors about the durability of the artificial intelligence trade. Copper has benefited from that boom because of its use in data centers and power infrastructure.

Its retreat from last month's record high of \$14,875 a ton has also been fueled by doubts over whether the US will impose a tariff on refined copper as President Donald Trump approaches the midpoint of his second term. The prospect of a levy has drawn vast amounts of the metal into US warehouses this year, squeezing supplies elsewhere.

Read More: Traders Grow Wary of Copper Bull Market With No Sign of Tariffs

"There is still a great deal of uncertainty around next year's copper supply-demand balance," said Zhenting Zhou, a trader at Hangzhou Chenglian Industrial Co. "Mine supply should improve, US import demand is likely to ease, and China's scrap-copper availability should also recover. There isn't much upside risk for copper," he said.

Still, some concerns remain around supply disruptions. Workers at Canada's largest copper mine, Teck Resources Ltd.'s Highland Valley Copper operation, are threatening to strike as early as Saturday, in the latest sign of labor tensions prompted by near-record prices that have emboldened employees to seek a greater share of profits.

Read More: Antofagasta Workers to End Strike, Easing Chile Copper Tensions

Copper was 0.4% lower at \$14,294.50 a ton on the LME as of 11 a.m. in Shanghai. Aluminum declined 0.6% to \$3,023.50, while nickel gave up 1% after surging 3.7% in the prior session on the prospect of coordinated output cuts by Chinese producers in Indonesia.

Iron ore fell as much as 1.7% to \$89.45 a ton in Singapore, the lowest in almost two years, before paring losses.

Copper Morning Technical (4-hour)



Support	Resistance	Current price	Bull	Bear
S1	R1	14,199.5		RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Chart Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- The RSI below 50 (36)
- Stochastic is below 50
- Price is below the daily pivot point USD 14,362
- Technical Outlook: Neutral
- We noted yesterday that the futures were 5-days into a consolidation between USD 14,509.5 and USD 14,256, while trading around the intraday 200-period MA at USD 14,414, and the daily 50-period MA at USD 14,363. The RSI was holding above 40, but remained below 60, it was neutral at 49. The daily RSI was also neutral at 49. This technical lacked directional bias, suggesting a range breakout was needed.
- The futures have seen a range breakout to the downside, we are below all key moving averages with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 14,362 with the RSI at or above 48 would mean price and momentum are aligned to the buy-side. Upside moves that fail at or below USD 14,397 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: Sell side pressure increasing
- The futures have sold below the USD 14,213.5 level having broken the range to the downside, indicating sell side pressure is increasing. The RSI is now below 40. If the break holds, then the USD 14,065 support becomes vulnerable. However, the breakout candle is still open, meaning we are yet to close below 14,256, while the RSI is yet to close below the 40 level, confirmation is still needed. Caution is warranted if the current candle closes back above the USD 14,256 level, as it will produce a bullish support candle.

Aluminium Morning Technical (4-Hour)



Support	Resistance	Current price	Bull	Bear
S1	R1	3,018.5		
S2	R2			
S3	R3			

Synopsis - Intraday

Chart Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is at 50 (50)
- Stochastic is above 50
- Price is below the daily pivot point USD 3,031
- Technical outlook Previously: Upside moves considered as countertrend
- Unchanged on the technical yesterday, we remained supported with our Elliott wave analysis continuing to suggest that upside moves should be considered as countertrend, while the negative reversal pattern remained 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 continued 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 with price at yesterday's levels. We are between the EMA resistance band with price and momentum conflicting.
- A close on the 4-hour candle below USD 3,031 with the RSI at or below 48 would mean price and momentum are aligned to the sell-side; likewise, a close above this level would mean it is aligned to the buy-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: RSI trend break
- Our Elliott wave analysis continues to suggest that upside moves should be considered as countertrend, providing the USD 3,087 resistance is not breached, we also note that there is a negative reversal pattern in play while below USD 3,046. Above USD 3,046 the RSI and price will have made new highs, signaling bullish momentum confirmation. Although the RSI is above its moving average, it has broken trend support, warning that momentum is starting to weaken. Although this does not mean we will sell lower, it is a warning, that momentum is starting to weaken, leaving price vulnerable to a move lower.

Zinc Morning Technical (4-Hour)



Support		Resistance		Current price	Bull	Bear
S1	3,673	R1	3,743	3,718.5		
S2	3,636	R2	3,766			
S3	3,585	R3	3,789			

Synopsis - Intraday

Chart Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (48)
- Stochastic is above 50
- Price is below the daily pivot point USD 3,743
- Technical outlook Previously: Supported
- Price was holding above the trend support line at USD 3,704 yesterday, while the RSI had held above the 40 level, signaling intraday support. Market buyers should act with caution on a close and hold below the support line, as it would warn the USD 3,650 fractal low could be tested; if the RSI sold below 40, momentum weakness would also validate a trend support break. We are supported; if the RSI reclaims and holds the 60 level with price trading above the USD 3,766 resistance, then the probability of price trading back to new lows would start to decrease. USD 3,766 is a key technical level, if rejected it would warn that the corrective phase has the potential to become more complex.
- The futures traded at a high of USDS 3,765 before selling lower, we are below the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 3,743 with the RSI at or above 54 would mean price and momentum are aligned to the buy-side. Upside moves that fail at or below USD 3,766 would warn that support levels could come under further pressure.
- Technical outlook: Inflection point
- The futures are trading just below the trend support line at USD 3,719; however, the candle remains open. A close and hold below the support line would warn that the technical condition is weakening, leaving support levels vulnerable. If the RSI closes and holds below the 40 level, then the momentum weakness will warn of the potential for further downside. Conversely, caution is warranted if we close above the trend support line, as it would signal market buyers are defending it.

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions FZCO ('FIS FZCO') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at freightinvestorservices.com