Monday, January 19, 2026

Copper prices had marginal weekly gains, where the rally was supported by expectations of stronger demand from China, ongoing supply disruptions in South America, and concerns over potential US trade actions. Major producers in the region continued to face operational challenges from natural disasters, labor strikes, and political risks, keeping global concentrate availability constrained. Traders also remained cautious about possible US tariffs on refined metals, which could redirect shipments toward the US market and tighten supply elsewhere.

Copper briefly pulled back after US President Donald Trump delayed announcing new tariffs on critical mineral imports. However, sentiment remained sensitive, as copper has been classified as a critical mineral due to its strategic importance in national security, defense technologies, and grid electrification. Market participants continue to price in long-term structural demand for copper linked to electrification and energy transition themes, which limits downside risks during corrections.

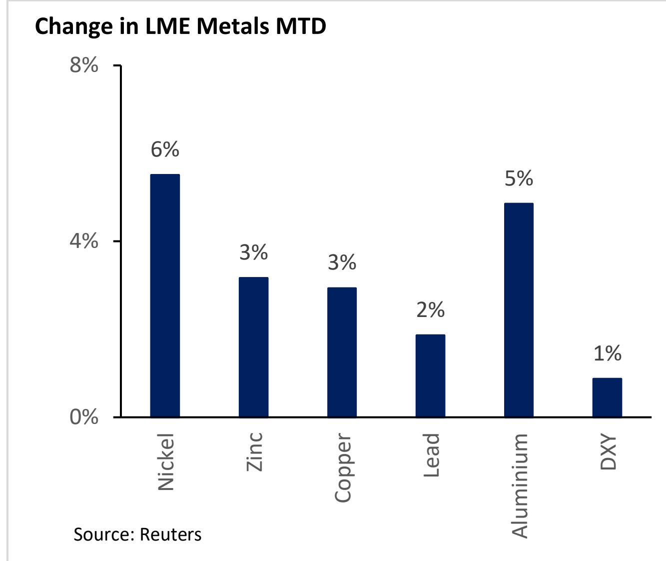
Currency movements played a significant role in shaping metals performance. The dollar index initially weakened to around 98.5 after federal prosecutors launched a probe into Federal Reserve Chair Jerome Powell, raising concerns about central bank independence. The dollar later rebounded on strong US economic data, marking its third consecutive weekly gain. Weekly unemployment claims fell sharply below forecasts, highlighting labor market resilience, while manufacturing surveys exceeded expectations. Federal Reserve officials reiterated that inflation risks remain present, pushing expectations for the next rate cut to June or later.

China remained a central driver of metals sentiment throughout the week. The Chinese cabinet, chaired by Premier Li Qiang, discussed the execution of a coordinated package of fiscal and financial

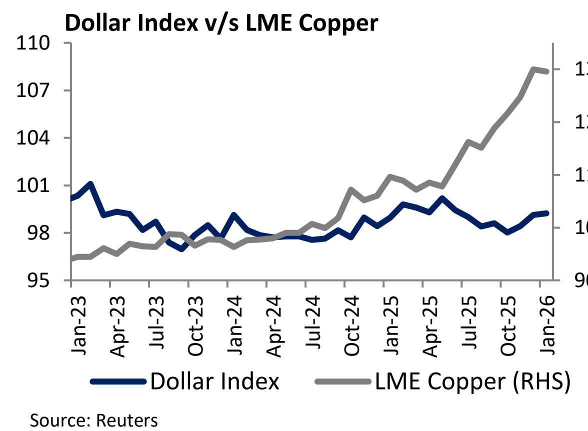
Commodity	Copper	Aluminum	Zinc
Open	1298.15	316.35	316.05
Close	1289.5	316.50	312.80
Change	8.20	-0.90	3.75
% Change	0.64%	-0.28%	1.21%
Open Int.	15058	2791	2466
Change	609	-509	-1278
Pivot	1292.3	317.1	313.9
Resistance	1299.5	318.8	315.8
Support	1282.3	314.7	310.9

LME Inventory Weekly Market Data				
Commodity	Copper	Nickel	Aluminum	Zinc
Open	137225	284562	495825	106800
Close	143575	285732	488000	106525
Change	6350	1170	-7825	-275
% Change	4.63%	0.41%	-1.58%	-0.26%

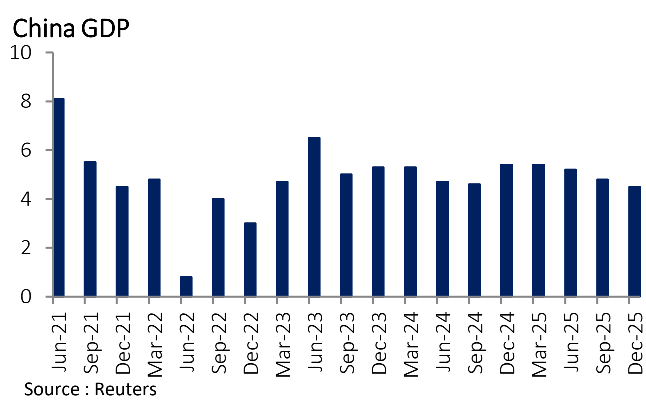
measures aimed at boosting domestic consumption. The policy focus includes stimulating household spending to ensure a strong start to economic growth in 2026. China's GDP expanded by 5% YoY in 2025, meeting the government's target despite persistent domestic demand weakness and external uncertainty. In aluminium, China reiterated its priority of preventing overcapacity, signaling that smelters would be discouraged from expanding production further in 2026. Despite this, Chinese aluminium output rose to a record high last year. Trade data showed China's imports of unwrought aluminium and aluminium products rose 7.1% YoY in December to 320,000 tons, reflecting continued demand for overseas material. China's aluminum output rose 2.4% to an all-time high of 45.02 million tons, exceeding the country's official capacity limit due to strong demand from the energy transition.



Other market factors also influenced price movements. Chinese regulators ordered mainland exchanges to remove servers operated by high-frequency trading firms from local data centers, part of broader efforts to reduce market volatility and systemic risk. This move temporarily cooled speculative activity in metals. Geopolitical tensions intensified after President Trump announced plans to impose an additional 10 percent import charge on goods from several European nations over disputes related to Greenland. The announcement triggered a risk-off move in global markets, encouraging flows into safe-haven currencies and adding another layer of volatility to metals trading.



Overall, the metals complex remained supported by tight supply conditions, steady demand expectations, and improving policy signals from China, while facing intermittent pressure from currency swings, regulatory actions, and geopolitical uncertainty. Price direction in the near term is likely to remain highly sensitive to developments in US trade policy, China's stimulus execution, and global macroeconomic data.

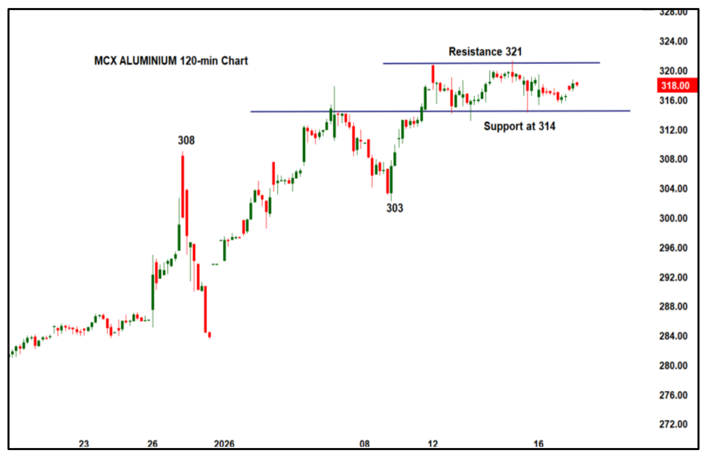


Technical Outlook

MCX Copper has been trading in an ascending triangle formation in 240-min chart having strong resistance at Rs.1342 whereas immediate support is at Rs.1270. Going ahead in the coming few sessions we expect the metal to trade in a sideways consolidation in the recommended levels and price sustained break on either side will give further trend direction. Price if break and sustained above Rs.1342 then will lead the rally towards previous high of Rs.1373 and majorly can also lead towards Rs.1500 mark

MCX Zinc has been trading in a rising channel forming higher highs and higher lows pattern which signifies strength in price. Very immediately the counter has been trading in a triangle formation which is indicating a range move in the upcoming sessions. Support is placed at Rs.306 – 298 whereas resistance is at Rs.320 – 325 area. We could see a higher range but major trend breakout will be seen above Rs.325

MCX Aluminium after marking a high of Rs.321 has been trading in a sideways range and has failing to give any trend direction. Immediate support is placed at Rs.314 whereas resistance is at Rs.321. The sideways consolidation within the given range is likely to continue and price sustained break on either side will give further trend direction. Sustained break above resistance will lead the rally towards Rs.326 – 330 levels whereas break below support will signify further weakness towards Rs.308 – 303 area



Navneet Damani	**Research-Head**	**navneetdamani@motilaloswal.com**
Pareen Pattni	**Analyst**	**Pareen.pattni@motilaloswal.com**

For any details contact:
Commodities Advisory Desk - +91 22 3958 3600
commoditiesresearch@motilaloswal.com

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Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com
Mr. Neeraj Agarwal	022 40548085	na@motilaloswal.com
Mr. Siddhartha Khemka	022 50362452	po.research@motilaloswal.com

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