

Copper

The futures remain risk off with price in a consolidation phase. Russia has moved blood to the front-line leaving media outlets to report that he could be about to start a full-on invasion. Sanctions in the West have been criticized, threats of all out sanctions have been targeted to only a handful of banks and individuals, alongside the suspension of Nord Stream 2, a pipeline that is not yet up and running. In the futures the moving averages are flat, market longs are exiting, potentially to invest in more volatile areas of the base complex, the market is bullish neutral. Now is the time to be most alert. Bollinger band width on the 4-hour intraday is at 1.397, last seen at this level on the 09/02/22 before the market spiked (4-hour chart), intraday price is in a symmetrical triangle, also known as a coil. In theory the symmetrical triangle is neutral, meaning the market could break in either direction, however the technical is bullish/neutral which gives market bulls a slight advantage. This is a market that needs to be watched very closely. Resistance is at USD 9,988, USD 10,072, and USD 10,123 with support at USD 9,850, USD 9,820, and USD 9,780. **One to watch, from a technical perspective the market looks primed for a breakout, with some form of volatility expansion on the intraday expected.**

Ali

The calm before the storm? The markets have on one hand priced in an invasion, this has come into play with price which is bullish and in trend. Now the market watches, rhetoric and action on the ground would suggest the 120,000 strong Ukrainian Army that is dug in, could be about to come into direct conflict with the Russian front line. If this is the case the futures will move higher once again. Yesterday we witnessed a small pullback, intraday price and momentum are conflicting (neutral), as price is below the daily pivot level with the RSI on its moving average, the technical has a negative divergence in play. A close above USD 3,322 with the RSI at or above 62.5 (currently 59) will mean price and momentum are aligned to the buy side; likewise, a close below this level with the RSI at or below 58 will mean it is aligned to the sell side. Price is holding above USD 3,287, below this level the intraday technical will have a neutral bias whilst below USD 3,239 the intraday technical will have made a lower low. Momentum needs to be watched, the RSI is above 50 with the faster moving stochastic at 47, if the stochastic goes below 30 with the RSI is still above 50, then momentum will warn of another test to the upside. Resistance is at USD 3,322, USD 3,380, USD 3,448 with support at USD 3,287, USD 3,269, and USD 3,239. When we look at the geopolitical situation, Putin is talking the Queens gambit (tactical) but his troop movements are aggressive. **We may have a divergence in play, but if Russia attack the Ukrainian front line then the futures are likely to go higher and the technical will be ignored. No further military moves are likely to see market longs unwinding a little.**

Zinc

The U.S. added the two metals to a new list of 50 mineral commodities (nickel, Zinc) that a multi-agency assessment found were critical to the U.S. economy and national security. The latest list removes helium, potash, rhenium and strontium, the U.S. Geological Survey said in a statement Tuesday the Energy Act of 2020 defines a "critical mineral" as a non-fuel mineral or mineral material essential to the economic or national security of the U.S. and which has a supply chain vulnerable to disruption, according to the statement (Bloomberg). Not a technical sell due to the divergence, with the U.S. putting it on the critical list, the divergence had fundamental support resulting in a strong move to the upside. The technical remains bearish below USD 3,649.5 but now has a neutral bias, intraday price and momentum are aligned to the buy side. A close on the 4-hour candle below USD 3,591 with the RSI at or below 44 will mean price and momentum are aligned to the sell side; however, corrective moves lower that hold at or above USD 3,575 will support a bull argument, below this level price will target USD 3,564 and the USD 3,546 low. Resistance is at USD 3,615, USD 3,628, and USD 3,649.50. **Technically neutral, the rally on the divergence, supported by comments in the U.S would suggest we are potentially transitioning to the buy side.**

Nickel

Nickel rose to \$25,000 a ton for the first time since 2011, extending a rally driven by dwindling global inventories and concerns that tensions over Ukraine could disrupt supplies from key producer Russia. The metal, used in stainless steel and rechargeable batteries, advanced as much as 3.2% to \$25,135 a ton. It's the top performer on the London Metal Exchange this year, climbing amid a wave of forecasts that supply will fall short of rapidly growing demand from the electric-vehicle industry (Bloomberg). The trend is technically bullish, Elliott wave analysis would suggest that downside moves should be considered as countertrend. We have seen a pullback from the market highs with intraday price and momentum aligned to the sell side, the intraday technical has a neutral bias, below USD 24,205 it will have broken fractal support, meaning it is bearish. However, the divergence on the RSI is from a new high is one we would class as minor, when we look at the Elliott wave cycle, we mark key support at USD 23,576, below this level the futures will have a neutral bias, regardless of any fractal break above this level. Resistance is at USD 24,665, USD 25,135, USD 25,200 with support at USD 24,227, USD 23,947, and USD 23,567. **Technically bullish with price in a corrective phase, intraday Elliott wave analysis would suggest there is another upside move to come.**

Lead

We noted yesterday that the 3-wave corrective pattern is warning that we had the potential for another test to the upside. The pullback was not as deep as we would have preferred but did trade below the USD 2,312 Fibonacci support before moving higher. Lead inventories in warehouses tracked by the London Metal Exchange dropped by 2.1%, or 1,025 tons, to 47,150 tons, according to data from the bourse. Declines seen in South Korea's Busan and various European depots Inventories are now at lowest level since January 2009 (Bloomberg). Technically bullish with resistance at USD 2,355, USD 2,370, and USD 2,391, Elliott wave analysis, using the Williams approach would suggest we have a potential upside target as high as USD 2,411, however we must highlight that above USD 2,355 there will be a negative divergence with the RSI. Support is at USD 2,312, USD 2,299, and USD 2,281. **Technically bullish.**