

Copper

Barrick Gold Corp., the world's second-biggest producer of the precious metal, sees opportunity to grow its copper production in central Africa, especially with a pro-business government having won power in Zambia last year, Chief Executive Officer Mark Bristow said. The company already operates the Lumwana copper mine in northwestern Zambia. It considered selling that operation in 2019 after receiving interest from potential buyers following its merger with Randgold Resources Ltd. and Bristow's appointment as CEO earlier that year but never followed through. "The Lumwana copper mine in Zambia has been a real success following our merger with Randgold," Bristow said in response to emailed questions. "We see the central African copper belt as offering significant opportunity for our copper initiative and the new business-friendly government there is a breath of fresh air." Prices for copper used in electric vehicles and wind turbines have surged to records this month, intensifying the hunt for new projects to meet growing demand. Interest in Zambia's mining industry has grown since Hakainde Hichilema won presidential elections in August last year and began following through on pledges to revive the economy and boost employment by attracting private investment (Bloomberg). As noted on the close report last night the futures are tracking the base complex due to supply concerns, the intraday divergence has now failed resulting in the RSI making a new high, intraday price and momentum is aligned to the buyside. A close on the 4-hour candle below USD 10,374 with the RSI at or below 54 (currently 59) will mean price and momentum are aligned to the sell side. The futures have traded to a high of USD 10,462, meaning price remains below our key resistance at USD 10,486, above this level the longer-term technical will have a bullish bias. Resistance is at USD 10,486, USD 10,589, USD 10,764 with support at USD 10,374, USD 10,352 and USD 10,318. Technically bullish on the intraday with price testing key resistance, corrective moves lower that hold at or above USD 10,272 will support a bull argument, below this level the futures will target the USD 10,180 fractal support.

Alu

SMM data showed that the social inventories of aluminium ingots across China's eight major markets totalled 1.04 million mt as of March 24, down 50,000 mt from a week ago. The decline was mainly contributed by Gongyi (-23,000 mt), Nanhai (-13,000 mt) and Shanghai (-5,000 mt). The inventory fell 4,000 mt in both Wuxi and Hangzhou, and dropped 1,000 mt in both Chongqing and Linyi. The inventory was flat in Tianjin, where inflows and outflows of cargoes were both disrupted by the pandemic. The sharp decline in Gongyi, Nanhai, Wuxi and other regions was mainly because the pandemic hindered the arrivals of cargoes. It is expected that the total inventory will continue to drop next week, even as the arrivals may increase slightly. The market attention will be focused on how the pandemic will affect the arrivals and consumption (SMM). We noted that the futures had produced a 5-wave pattern on the intraday technical warning that the futures were vulnerable to a pullback with price remaining bullish above USD 3,434. There has been no pullback with price trading to a new high, meaning we are seeing wave extension (I.E a new cycle on a lower timeframe), indicating this move higher is likely to be a bullish impulse wave 3. Intraday price and momentum are aligned to the buyside with price above all key moving averages supported by the RSI above 50. A close on the 4-hour candle below USD 3,635 with the RSI at or below 56 (currently 62) will mean price and momentum are aligned to the sell side; however, corrective moves lower that hold at or below USD 3,567 will support a bull argument, below this level the futures will have a neutral bias. Technically bullish with resistance at USD 3,771, USD 3,847, USD 3,942 with support at USD 3,635, USD 3,610, and USD 3,567. If this is a bullish impulse wave 3 then in theory, we should trade up to the USD 3,847 resistance.

Zinc

Zinc rises to as high as \$4,088 a ton on the London Metal Exchange as concerns about Russian energy exports build (Bloomberg). Having spent the previous 9 sessions in a neutral range the futures broke to the upside yesterday with price trading up to USD 4,195. Price is 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 4,086 with the RSI at or below 55.5 (currently 63) will mean price and momentum are aligned to the sell side; however corrective moves lower that hold at or above USD 3,976 will support a bull argument, below this level the futures will have a neutral bias. Resistance is at USD 4,195, USD 4,320, USD 4,504 with support at USD 4,086, USD 4,029, and USD 3,976. Technically bullish based on the range breakout.

Nickel

Nickel prices surged to the maximum daily limit on the Shanghai Futures Exchange -- tracking an overnight gain in London -- despite a cloudy short-term demand outlook due to Covid-19 restrictions in China. The metal rose to 245,740 yuan (\$38,560) a ton as of the midday break, up 15.9% from the close on Wednesday. That followed a 15% gain to \$32,380 for nickel on the London Metal Exchange, also the most its permitted to rise by. Trading in the metal -- used in stainless steel and electric-vehicle batteries -- has been extremely volatile since Russia's invasion of Ukraine threw commodities markets into turmoil. A massive, short squeeze on positions held by China's Tsingshan Holding Group Co. on the LME saw prices soar by 250% in less than 48 hours earlier this month and led to a prolonged trading halt (Bloomberg). Technically we are still lacking data at this point meaning it is not possible to chart; however, the upside move yesterday means that price and momentum are aligned to the buyside with the futures on the daily technical finding support between the longer period EMA's (30-60).

Lead

The futures followed the rest of the base complex higher yesterday with price trading above the USD 2,371 resistance, meaning we now target the USD 2,385 fractal resistance, above this level the technical is bullish. Price is 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 2,343 with the RSI at or below 2,343 will mean price and momentum are aligned to the sell side, corrective moves lower that hold at or above USD 2,291 will support a bull argument, below this level the futures will have a neutral bias. Resistance is at USD 2,403, USD 2,450, USD 2,509 with support at USD 2,343, USD 2,328, and USD 2,291. Technically neutral.