

Note

The Elliott wave cycle is a psychological footprint of the market, it can and does fail at times. At this point the wave cycles are warning we have the potential for further tests to the downside; however, the easing of travel quarantine periods in China does have the potential to change the psychological footprint of this market. At this point the futures remain below key resistance levels with momentum to the buy side, these levels will need to be monitored closely, if broken the technical will have a neutral bias.

News**Base**

China reduced quarantine times for inbound travelers by half, the biggest shift yet in a Covid-19 policy that has left the world's second-largest economy isolated as it continues to try and eliminate the virus.

Travelers will now only need to spend seven days in a quarantine facility, and then monitor their health at home for a further three days, according to a revised government protocol released Tuesday by China's National Health Commission. That's down from 14 days hotel quarantine in many parts of China currently, and as many as 21 days of isolation in the past. . (Bloomberg)

PB

Futures: LME lead opened at \$1,940.5/mt rose by 2.45% to \$1,987/mt overnight after hitting the lowest point at 1,936.5/mt and rising to the highest point at \$2,009.5/mt. The open interest increased by 21 lots to 91,384 lots from the previous trading day.

The most-active SHFE 2208 lead contract opened at 15,195 yuan/mt last night, hitting the lowest point at 15,130 yuan/mt, and closed at 15,200 yuan/mt, an increase of 1.23%. The open interest decreased by 3,608 lots to 47,843 lots from the previous trading day.

Spot fundamentals: Chihong lead in Shanghai market quoted at 15,040-15,060 yuan/mt, in discounts of 50-30 yuan/mt over the SHFE 2207 lead contract. Henan JINLI GOLD and LEAD Group, Henan JINLI GOLD and LEAD Group, Jiangxi Copper Group and Anhui Tongguan Copper Foil Group in Zhejiang market quoted at 15,050-15,070 yuan/mt, in discounts of 40-20 yuan/mt over SHFE 2207 lead contract. Lead futures rose strongly amid the decline in supply and the secondary refined lead was quoted in discounts of 150-100 yuan/mt. The downstream mainly purchased in long-term orders amid the wait-and-see sentiment. (SMM).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,142	R1	8,384		
S2	7,893	R2	8,481		RSI below 50
S3	7,682	R3	8,592		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA Resistance band (Black EMA's)
- RSI is below 50 (36)
- Stochastic is above 50
- Price is on the daily pivot point USD 8,384
- Sideways action in the futures yesterday with price trading back into the bearish channel. Price is below the EMA resistance band supported by the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 8,384 with the RSI at or below 30.5 will mean price and momentum are aligned to the sell side. Likewise, a close above this level will mean it is aligned to the buyside.
- Upside moves that fail at or below USD 8,742 will leave the futures vulnerable to further tests to the down-side, above this level the technical will have a neutral bias.
- Technically unchanged the futures have moved off their lows, but intraday Elliott wave analysis would suggest the upside move is countertrend at this point. Key resistance is at USD 8,742.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,434	R1	2,585	2,489.5	RSI below 50
S2	2,401	R2	2,636		
S3	2,354	R3	2,704		

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (44)
- Stochastic is overbought
- Price is above the daily pivot point 2,489
- The futures have moved higher on the back of the negative divergence with price trading up to, but not into the EMA resistance band. The RSI is below 50 with price and momentum conflicting.
- A close on the 4-hour candle below USD 2,481 with the RSI at or below 39.5 will mean price and momentum are aligned to the sell side. Likewise, a close above this level will mean it is aligned to the buyside. Upside moves that fail at or below USD 2,704 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- The RSI is below 50 with the stochastic nearing overbought territory, momentum is warning that the futures are vulnerable to a test to the downside.
- Technically bearish with intraday wave analysis warning the upside move is potentially countertrend. Price is just below the EMA resistance band with momentum looking vulnerable; however, at this point the futures are not testing the Fibonacci resistance zone.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,272	R1	3,387	Stochastic oversold	RSI below 50
S2	3,189	R2			
S3	3,189	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (40)
- Stochastic is oversold
- Price is above the daily pivot point USD 3,344
- The divergence failure is warning that the intraday cycle remains bearish at this point with upside moves considered as countertrend. The futures did trade lower yesterday, but not to new lows; price has moved higher in the Asian session, but we remain below the EMA resistance band. The RSI is below 50 with intraday price and momentum aligned to the buyside.
- A close on the 4-hour candle below USD 3,331 with the RSI at or below 33.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 3,507 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Downside moves that trade below USD 3,272 will target the USD 3,189 and USD 3,088 support levels.
- Technically bearish, momentum indicators would suggest that this upside moves should be considered as countertrend, suggesting the USD 3,507 resistance should in theory hold if tested.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	21,723	R1	22,882		RSI below 50
S2	20,545	R2			
S3	19,058	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (34)
- Stochastic is below 50
- Price is below the daily pivot point USD 22,921
- Technically bearish with the RSI making new lows, we noted that at 24 that momentum oversold, resulting in the futures trading higher on the open yesterday. The upside moves failed to hold, resulting in the futures failing below the EMA resistance band, the RSI is below 50 whilst price and momentum are conflicting.
- A close on the 4-hour candle below USD 22,921 with the RSI at or below 32.5 will mean price and momentum are aligned to the sell side. Likewise, a close above this level will mean it is aligned to the buyside. Upside moves that fail at or below USD 24,583 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- The futures produced an inside day on the daily technical yesterday. Theoretically an upside moves above the USD 23,655 high from yesterday will have short-term bullish implications, warning that USD 24,583 resistance could come under pressure. Likewise, downside moves below the USD 22,255 will leave the USD 21,650 low vulnerable.
- Technically bearish, The base complex has moved higher overnight, warning resistance levels have the potential to be tested.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	1,977	R1	2,013		RSI below 50
S2	1,939	R2			
S3	1,900	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (48)
- Stochastic is overbought
- Price is above the daily pivot point USD 1,977
- Technically bearish with price and momentum to the buyside yesterday the futures have continued to move higher. Price is trading in the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 1,977 with the RSI at or below 35.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,042 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 2,115 is the intraday technical bullish.
- Downside moves that hold at or above USD 1,939 will support a bull argument, below this level the USD 1,900 low will be vulnerable.
- The RSI is at 48 with the stochastic in overbought territory, momentum is warning the futures are vulnerable to a test to the downside. However, if the RSI moves above and holds above the 50 level the overbought stochastic becomes less relevant.
- Technically bearish with Elliott wave analysis suggesting this is a countertrend upside move.

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