

## China/ U.S.

Asian equities fell as caution prevailed ahead of key US inflation data due later Thursday.

The MSCI Asia Pacific Index slid 0.6%, poised for a fifth-straight day of decline. Benchmarks in Japan, Hong Kong and South Korea were down, while Australian stocks edged higher.

Chinese shares lost momentum amid a pick-up in Covid cases, after staging a strong intraday rebound in the previous session. Investors also monitored developments ahead of the upcoming Communist Party congress, which may introduce further policies to shore up growth. (Bloomberg).

## Al

Aluminum and shares of metal producers soared following news the Biden administration is considering a ban on Russian aluminum in response to Russia's military escalation in Ukraine.

Metal products from Russia have so far been shielded from sanctions due to their importance in everything from automobiles and skyscrapers to iPhones. The White House is eyeing three options: an outright ban, increasing tariffs to levels so punitive they would impose an effective ban, or sanctioning the company that produces the nation's metal, United Co. Rusal International PJSC, according to people familiar with the decision-making.

Such a move would have wide-reaching repercussions for the globally traded aluminum market, potentially forcing consumers in the US and other countries into a rush to find replacement metal. Russia accounts for 5% of global aluminum production. (Bloomberg).

# Copper Morning Technical (4-hour)



| Support | Resistance | Current Price | Bull | Bear         |
|---------|------------|---------------|------|--------------|
| S1      | R1         | 7,545         |      | RSI below 50 |
| S2      | R2         |               |      |              |
| S3      | R3         |               |      |              |

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (49)
- Stochastic is below 50
- Price is on the daily pivot point USD 7,549
- Technically bearish but with little price movement yesterday with the futures remaining below the EMA resistance band supported by the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4hour candle above USD 7,549 with the RSI at or above 51.5 will mean price and momentum are aligned to the buy side. Likewise, a close below the level with the RSI at or below 47 will mean it is aligned to the sell side. Upside moves that fail at or below USD 7,728 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Downside moves below USD 7,437.50 will target the USD 7,372 and USD 7,297 support levels.
- Technically bearish, the futures are consolidating, the EMA's are flat indicating a lack of trend in the market (This also means the EMA's are unlikely to be respected) whilst the RSI is neutral at 49. Technically neutral, with the market waiting on the U.S. CPI figures and the next USD move.

# Aluminium Morning Technical (4-hour)



| Support |       | Resistance |       | Current Price | Bull         | Bear |
|---------|-------|------------|-------|---------------|--------------|------|
| S1      | 2,262 | R1         | 2,313 | 2,304         | RSI above 50 |      |
| S2      | 2,235 | R2         | 2,342 |               |              |      |
| S3      | 2,197 | R3         | 2,420 |               |              |      |

Source Bloomberg

## Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (53)
- Stochastic is below 50
- Price is below the daily pivot point USD 2,313
- Technically bearish with the futures in a corrective phase, price had moved higher on the back of a positive divergence, resulting in a downside rejection candle on the daily chart which warned the market was supported. The futures moved higher yesterday on the back of the U.S considering an outright ban on Russian Al, this move was totally outside of the technical remit. Price is above the EMA support band with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 2,313 with the RSI at or below 45.5 will mean price and momentum are aligned to the sell side. Likewise, a close above this level will mean that it is aligned to the buy side. Downside moves that hold at or above USD 2,262 will support a bull argument, below this level the technical will have a neutral bias.
- Technically we are bearish with a neutral bias, the reality is that any outright ban will override the technical at this point.

# Zinc Morning Technical (4-hour)



|    | Support | Resistance | Current Price | Bull | Bear         |
|----|---------|------------|---------------|------|--------------|
| S1 | 2,933   | R1         | 2,945         |      |              |
| S2 | 2,855   | R2         | 2,958         |      | RSI below 50 |
| S3 | 2,812   | R3         | 2,975         |      |              |

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (45)
- Stochastic is below 50
- Price is above the daily pivot point USD 2,933
- Technically bearish yesterday the futures were moving higher on the back of a rising RSI on a lower timeframe; however, the futures had failed to make a positive divergence with the RSI as price had failed to make a new low. We did see another test to the downside with price testing and holding the USD 2,885 support, resulting in the positive divergence, and subsequent buying support. Price is still below the EMA resistance band with the RSI below 50, intraday price and momentum are conflicting as the opening candle failed to close above the daily pivot level.
- A close on the 4-hour candle above USD 2,933 will mean price and momentum are aligned to the buyside. Likewise, a close below this level with the RSI at or below 41.5 will mean it is aligned to the sell side. Upside moves that fail at or below USD 2,975 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 3,011.5 is the intraday technical bullish.
- Technically bearish the futures are starting to consolidate, buying support is evident at lower levels due to the intraday divergence.

# Nickel Morning Technical (4-hour)



|    | Support | Resistance | Current Price | Bull         | Bear |
|----|---------|------------|---------------|--------------|------|
| S1 | 22,406  | R1         | 22,780        | RSI above 50 |      |
| S2 | 21,757  | R2         |               |              |      |
| S3 | 21,482  | R3         |               |              |      |

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (54)
- Stochastic is oversold
- Price is above the daily pivot point USD 22,406
- Technically bearish the futures traded below the USD 21,757 support in the afternoon session; however, price followed Aluminium higher on the back of the potential U.S import ban (seeing 5 min intraday chart for replica move) meaning we are now above the EMA resistance band. The RSI is above 50 with price and momentum aligned to the buyside.
- A close on the 4-hour candle below USD 22,406 with the RSI at or below 45.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 24,081 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically the longer-term trend remains bearish having failed to trade below USD 20,940 on the 03/10. As previously noted we were cautious due to the 3-wave pattern lower; however, the previous rejection of the USD 23,320 resistance supported our bear argument. The technical is now getting complex due to the upside move yesterday, making USD 24,081 a key level to follow. For now, we will hold a neutral bias, as EMA's are flat indicating a lack of trend, we will need to see more upside to be convinced it is bullish.

# Lead Morning Technical (4-hour)



|    | Support | Resistance | Current Price | Bull         | Bear                  |
|----|---------|------------|---------------|--------------|-----------------------|
| S1 | 2,034   | R1         | 2,035         | RSI above 50 | Stochastic overbought |
| S2 | 1,970   | R2         |               |              |                       |
| S3 | 1,932   | R3         |               |              |                       |

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (56)
- Stochastic is overbought
- Price is on the daily pivot point USD 2,034
- Technically we remain bullish but in a corrective phase as the futures remain below the USD 2,065 fractal resistance. Price is above the EMA resistance band supported by the RSI above 50; however, a small downside move on the open means price has closed below the daily pivot point, price and momentum are now conflicting.
- A close on the 4-hour candle above USD 2,034 will mean price and momentum are aligned to the buyside. Likewise, a close below this level with the RSI at or below 52.5 will mean it is aligned to the sell side. Upside moves above USD 2,065 will break fractal resistance, indicating the intraday technical is bullish. Downside moves that hold at or above USD 1,932 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, we are potentially in the early stages of a bullish wave-5, downside moves below USD 1,965 would suggest we remain in a complex corrective wave 4.