

U.S

Federal Reserve Chair Jerome Powell left little doubt that he's prepared to push rates as high as needed to stamp out inflation, even as the central bank eyes a downshift to a slower pace of increases.

Addressing reporters Wednesday after the Fed raised rates by 75 basis points for the fourth time in a row, Powell said "incoming data since our last meeting suggests that the ultimate level of interest rates will be higher than previously expected."

The move lifts the Fed's benchmark to a 3.75%-4% range, from nearly zero in March. Even so, the US economy has shown remarkable resilience: Rising borrowing costs have slowed the housing market, but the inflation rate is stubbornly stuck near 40-year highs. (Bloomberg).

Metals

Iron ore is one the poorest performing commodities this year, and the rout in prices is only likely to deepen until China's economy stages a revival.

Futures in Singapore have fallen for seven straight months, the worst run since the contract debuted in 2013. At around \$81 a ton, the mineral costs about a third of its peak in May last year.

China is by far the biggest buyer of iron ore, mainly from Australia and Brazil, to feed annual steel production that has topped 1 billion tons in the last two years. As such, it's one of the defining raw materials of China's economy, and a stalwart of a commodities boom that risks becoming a distant memory as the property market teeters and Beijing persists with its growth-crippling virus controls.

Hopes that conditions would improve in the autumn, the peak season for Chinese construction activity, were dashed by the end of the Communist Party Congress in October. The twice-a-decade meeting failed to deliver large-scale support for the real-estate sector, and didn't chart a path out of the thicket of Covid Zero rules that have hobbled demand across commodities and disrupted operations from malls to factories and building sites (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	7,525	R1	7,648	RSI above 50	
S2	7,486	R2	7,730		
S3	7,420	R3	7,800		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is at 50 (50)
- Stochastic is above 50
- Price is below the daily pivot point USD 7,648
- Technically bearish with a neutral bias yesterday with price moving higher on the rumour of an easing of Chinese Covid restrictions, we needed to see more from the technical to convince the futures were due to turn bull as both the intraday and daily EMA bands were flat. The futures have moved lower but remain above the EMA band with the RSI neutral at 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 7,648 with the RSI at or below 50 (currently 50.5) will mean price and momentum are aligned to the sell side. likewise, a close above this level with the RSI at or above 54.5 will mean it is aligned to the buy side. Downside moves that hold at or below USD 7,525 will support a near term bull argument, below this level the futures will target the USD 7,420 fractal support. Only above USD 7,800 is the technical bullish.
- Technically bearish but with a neutral bias, intraday and daily EMA bands remain flat, supporting a lack of trend. Due to the market being in consolidation we have added a Bollinger band (BBL standard settings 21,2,2) as these seem to be fairly respected at this point. BBL resistance is at USD 7,732 with support at 7,441.

Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,253	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (51)
- Stochastic is overbought
- Price is on the daily pivot point USD 2,253
- This technical is trading within USD 3.00 of yesterday value with price on the daily pivot point for the second day. Price is above the EMA resistance band with the RSI neutral and the stochastic overbought. Intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,253 with the RSI at or below 49 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,290 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 2,343.50 fractal resistance.
- The intraday technical is neutral bullish with price trading in what is potentially a large bull flag; however, the futures will need to close above and hold above the USD 2,343.5 fractal resistance to signal upside continuation. At this point we have a near-neutral RSI with an overbought stochastic, if the RSI moves below 50, momentum will suggest that intraday support levels are vulnerable. **(unchanged)**

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,701	R1	2,740		RSI below 50
S2	2,662	R2			
S3	2,525	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (38)
- Stochastic is overbought
- Price is below the daily pivot point USD 2,758
- A cautious bear for the last few sessions the futures have only moved USD 20.00 lower since yesterday. Price remains below the 8-21 period EMA's with the RSI below 50, intraday price and momentum is conflicting.
- A close on the 4-hour candle below USD 2,758 with the RSI at or below 33.5 will mean price and momentum are aligned to the sell side. Likewise, a close above this level will mean it is aligned to the buy side. Upside moves that fail at or below USD 2,895 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias
- Technically bearish with price starting to roll over to the downside, a close on the current 4-hour candle below USD 2,764.5 will warn that the USD 2,657 fractal low could be tested and broken. Note: the daily technical remains in divergence and will need to be monitored.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	23,853	R1	24,081	RSI above 50	Stochastic overbought
S2	23,306	R2	24,681		
S3	23,000	R3	25,700		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (63)
- Stochastic is overbought
- Price is above the daily pivot point USD 23,853
- We noted yesterday that the longer-term trend remained bearish but the break in consolidation had bullish implications in the near-term, as these breakouts often have a 100% price projection target. The futures have moved higher with price trading above the USD 24,081 resistance, meaning the technical although bearish now has a neutral bias. Price is above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 23,853 with the RSI at or below 52.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 22,584 will support a near-term bull argument, below this level we target the USD 21,700 fractal low.
- Technically bearish with a neutral bias, the break from the consolidation phase to the upside means we have the potential to trade up to the 100% projection at USD 25,382. Caution on a close below the daily pivot point as it will warn that support levels could be vulnerable.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	1,949	R1	2,016	RSI above 50	
S2	1,928	R2	2,037		
S3	1,900	R3	2,058		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (54)
- Stochastic is above 50
- Price is below the daily pivot point USD 1,980
- A bit of a random day with price testing the downside and upside before selling down to unchanged levels on the Asian open. The futures remain above the EMA support band with the RSI above 50, intraday price and momentum are now conflicting.
- A close on the 4-hour candle below USD 1,980 with the RSI at or below 53 will mean price and momentum are aligned to the sell side. likewise, a close above this level with the RSI at or above 57.5 will mean it is aligned to the buyside. Downside moves that hold at or above USD 1,900 will support a bull argument, below this level the technical will have a neutral bias.
- The technical remains bullish on the intraday, we continue to have reservations regarding the upside move due to the previous intraday Elliott wave failure, whilst the easing of Covid restrictions in China have now been denied. If we see a close on the 4-hour candle below USD 1,948.5 then we could see the USD 1,900 support come under pressure.