

## China

China's rapid reopening is having an unfortunate side effect for banks — a surge in funding costs to levels not seen in two years.

A gauge of overnight borrowing costs climbed to the highest since 2021 on Wednesday, even as the People's Bank of China pumped short-term cash into the financial system. Analysts say several factors are behind what they see as a temporary liquidity squeeze, including the after-effects of China's Lunar New Year Holiday and a sudden increase in loan demand as the country moves away from Covid-Zero. (Bloomberg).

## Cu

Copper took a pause from its recent slide to post a gain in London trading, with some market watchers warning that the bounce could be short lived.

Prices climbed for the first time in five days, buoyed by gains in US equity markets and a weaker dollar. In the previous four sessions, the metal lost almost 4%. Traders have been disappointed that an expected increase in demand on China's economic reopening hasn't yet materialized.

The market's move higher on Tuesday doesn't signal a "fundamental shift" for the red metal, said Bart Melek, head of commodity strategy at TD Securities. (Bloomberg).

## Zn

zinc extended its rebound from the lowest close in a month as China's demand recovery and depleted inventory levels in London boosted prices.

Chinese demand for the metal used in galvanizing steel is "rebounding appropriately" after manufacturers returned from Lunar New Year break, said Liu Mengyue, an analyst at Yonggang Resources Co. in Shanghai, citing improvement in fabricators' run rates. The recovery in zinc demand is better than for other metals such as copper, she said. (Bloomberg)

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,922	R1	9,091	8,988	RSI below 50
S2	8,808	R2	9,179		
S3	8,651	R3	9,298		

## 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 8,922
- Technically bearish on the intraday yesterday with upside moves looking like they will be countertrend based on the Elliott wave cycle, a close on the 4-hour candle above USD 8,932 would imply that momentum based on price is improving, warning resistance levels could be vulnerable. The futures have moved higher but remain below the Fibonacci resistance zone at this point. Price is below the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 8,922 with the RSI at or below 38 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 9,298 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish on the intraday, the daily technical remains bullish but in a corrective phase with the higher timeframe wave cycle suggesting there is another bull wave to come. Key resistance to follow is at USD 9,298, if we hold then we should in theory see another move to the downside; however, if broken, it warns that the higher timeframe wave cycle is becoming more dominant, warning the USD 9,550.50 resistance is vulnerable.

# Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,529	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Source Bloomberg

## Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (41)
- Stochastic is oversold
- Price is on/above the daily pivot point USD 2,528
- Technically bearish yesterday on the intraday, in what looks to be a higher timeframe countertrend move, making USD 2,397 the key support to follow. We had a mixed day yesterday with price moving lower in the morning session before recovering some of the early losses in the afternoon. Price remains below all key moving averages supported by the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,528 with the RSI at or above 43 will mean price and momentum are aligned to the buy side. Likewise, a close below this level with the RSI at or below 38.5 will mean it is aligned to the sell side. Upside moves that fail at or below USD 2,599 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 2,649.5 is the technical bullish.
- The futures remain in a corrective phase in what looks to be a higher timeframe countertrend move. Downside moves below USD 2,503 have the potential to create a positive divergence with the RSI, not a buy signal it does warn that we have the potential to see a momentum slowdown, suggesting caution on downside breakouts. Likewise, a close on the 4-hour candle above USD 2,551.5 will imply that buy side momentum is increasing, warning that resistance levels will be vulnerable.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,146	R1	3,186.5		RSI below 50
S2	3,067	R2			
S3	3,019	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (40)
- Stochastic is below 50
- Price is above the daily pivot point USD 3,146
- The downside move yesterday meant that the longer-term Elliott wave cycle was now neutral, warning that the probability of the futures trading to a new high has decreased, based on the depth of the pullback. With the intraday RSI making new lows we considered upside moves to be considered as countertrend. The futures initially moved lower, resulting in a positive divergence and a move higher. Price is below the EMA support band with the RSI below 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 3,146 with the RSI at or below 31.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 3,285 will leave the futures vulnerable to further tests to the downside. Only above USD 2,391 is the technical bullish.
- Technically bearish on the intraday with the higher times technical now neutral, intraday upside moves look to be countertrend at this point, making USD 3,285 the key resistance to follow.

# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	27,181	R1	27,248	Stochastic oversold	RSI below 50
S2	26,740	R2			
S3	25,970	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (42)
- Stochastic is oversold
- Price is above the daily pivot point USD 27,181
- Technically bearish yesterday with the RSI making new lows, suggesting upside moves should be considered as countertrend, making USD 29,095 the key resistance to follow. The downside move warned that the daily support at USD 25,970 is starting to look vulnerable. The futures initially moved lower before finding light buying support in the afternoon session. We remain below all key moving averages supported by the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 27,181 with the RSI at or above 48.5 will mean price and momentum are aligned to the buy side; likewise, a close below this level will mean it is aligned to the sell side. Upside moves that fail at or below USD 29,020 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 30,195 is the technical bullish.
- Technically bearish, we maintain our view based on the RSI making new lows that upside moves look like they could be countertrend at this point.

# Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,100	R1	2,118		RSI below 50
S2	2,088	R2			
S3	2,048.5	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (47)
- Stochastic is below 50
- Price is above the daily pivot point USD 2,100
- Technically bearish yesterday, we remained below the consolidation zone from last week, this still had the potential to act as a resistance zone, a close above USD 2,167 or a move above 2,175 would warn that the technical is starting to turn bullish. We move lower initially but price is now unchanged from yesterday, the futures remain below the EMA resistance band with the RSI below 50, intraday price and momentum are now aligned to the buyside.
- A close on the 4-hour candle below USD 2,100 with the RSI at or below 42 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,143 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the remain below the consolidation zone from last week, this still has the potential to act as a resistance zone, a close above USD 2,167 or a move above 2,175 will warn that the technical is starting to turn bullish. (Unchanged)