

## China

China's central bank added more cash into the financial system to meet a rapid, post-Covid Zero rebound in loan demand, while keeping its key policy rate steady for now as the economic recovery takes shape.

The People's Bank of China injected a net 199 billion yuan (\$29.15 billion) with its one-year medium-term lending facility (MLF) this month, broadly in line with the 200 billion yuan median forecast of economists surveyed by Bloomberg. The MLF borrowing rate was left unchanged at 2.75% on Wednesday, as expected by the majority of analysts in the survey. (Bloomberg).

## Cu

Copper headed for a third daily gain — and iron ore advanced — after China's central bank pumped more cash into the financial system in a sign the economy's rebound is gathering pace.

The People's Bank of China boosted liquidity this month to meet surging loan demand, according to data on Wednesday. Commodity traders are on watch for indications that economic activity is picking up pace amid a slow recovery that's pressured prices during February.

There are still strong expectations for China's demand although the current weak reality is keeping prices constrained, Everbright Futures wrote in an emailed note. Investors will monitor real-estate and infrastructure activity in the next couple of weeks, the brokerage said. (Bloomberg).

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,898	R1	8,968.5		RSI below 50
S2	8,817	R2			
S3	8,808	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is below 50 (49)
- Stochastic is overbought
- Price is on/below the daily pivot point USD 8,970
- We maintained a neutral bias yesterday, as the futures were below the intraday EMA resistance band but above the Daily EMA support band. Intraday Elliott wave analysis continued to suggest that downside moves should be considered as countertrend whilst a move below USD 8,808 would create a positive divergence with the RSI. The futures pushed a little higher before the CPI figures before an erratic swing over the figures resulted in the futures in the 4 hour candle having a USD 150 range with a slightly low close. However, we ended the day with price closing above the EMA support band. A weak Asian open means the futures are between the EMA support band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 8,970 with the RSI at or below 44.5 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 9,298 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Downside moves that hold at or above USD 8,891 will support a near-term bull argument, below this level the futures will target the USD 8,817 – USD 8,808 fractal support zone. key longer-term support remains unchanged at USD 8,651.
- The futures remain in consolidation, we could even have a symmetrical triangle forming that will need to be monitored. The technical is bearish but as previously noted the RSI will be in divergence on a new low. Due to the situation with the EMA support and resistance bands we remain neutral, as the futures lack directional bias.

# Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,402	R1	2,418	Stochastic oversold	RSI below 50
S2	2,349	R2	2,444		
S3	2,259	R3	2,476		

Source Bloomberg

## Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (34)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,418
- A cautious bear yesterday due to the divergence that was in play with the RSI. The futures have continued to move lower with price testing (but not trading below the USD 2,402 Fibonacci support); however, the divergence has now failed. Price is below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4- hour candle above USD 2,418 with the RSI at or above 39 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 2,476 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 2,464 is the technical bullish; however, even with a new high, the futures will remain below the EMA resistance band. (This is largely unchanged).
- The futures are now testing the longer-term support at USD 2,402, if broken it will mean the longer-term Elliott wave cycle will have a neutral bias, implying that the probability of the futures trading back to new highs will have decreased. The divergence failure would suggest that upside moves should be considered as countertrend at this point.

# Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	3,062.5	Stochastic oversold	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 (41)
- Stochastic is above 50
- Price is below the daily pivot point USD 3,100
- Technically bearish yesterday with the futures moving higher on the back of the positive divergence with the RSI having rejected the support zone, warning resistance levels were now vulnerable. Downside moves below USD 3,001 would potentially create a second positive divergence with the RSI, suggesting caution below this level. Key resistance was at USD 3,146, the futures traded to a high of USD 3,145 before moving lower, suggesting we remain vulnerable to further tests to the downside. We have moved lower with price still below the EMA resistance band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 3,100 with the RSI at or below 37.5 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. Resistance remains unchanged at USD 3,146, this has been rejected, warning support levels could be vulnerable, above this level the technical will have a neutral bias.
- We now have a conflicting technical suggesting caution. The futures have moved higher on the back of a positive divergence, downside moves below USD 3,001 will create a second divergence into the support zone, warning sell side momentum has the potential to slowdown on a new low. However, the rejection of the USD 3,146 level would suggest that the USD 3,001 support is vulnerable in the near-term, but the futures are not considered a technical sell on a downside breakout.

# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	25,915	R1	26,459	Stochastic oversold	RSI below 50
S2	25,770	R2			
S3	24,837	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (39)
- Stochastic is oversold
- Price is below the daily pivot point USD 26,614
- Technically bearish yesterday, the new low meant that there was a positive divergence in play, not a buy signal it did warn we had the potential to see a momentum slowdown, suggesting caution. The futures moved sideways for the session having tested both the downside and upside. We remain below the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 26,614 with the RSI at or above 53 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 28,223 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 29,225 is the intraday technical bullish.
- Technically bearish but in divergence, meaning we are cautious of downside moves at this point; however, if we move lower and the divergence fails, then support levels could be tested and broken. Key resistance is at USD 28,223.

# Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,075	R1	2,090		RSI below 50
S2	2,048	R2			
S3	2,028	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (44.5)
- Stochastic is above 50
- Price is below the daily pivot point USD 2,100
- A mixed day yesterday as price had moved higher on the back of a positive divergence warning resistance levels were vulnerable; however, the upside move has rejected the EMA resistance band on the Asian open, resulting in a small move lower. The RSI remains below 50 with price and momentum now conflicting.
- A close on the 4-hour candle below USD 2,100 with the RSI at or below 44 (currently 44.5) will mean price and momentum are aligned to the sell side; Likewise, a close above this level with the RSI at or above 48.5 will mean it is aligned to the buy side. Upside moves that fail at or below USD 2,137 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 2,169 is the technical bullish.
- Technically bearish, the rejection of the EMA resistance band would suggest the USD 2,075 support is vulnerable. However, a new low will create further divergences with the RSI, suggesting caution on downside breakouts, meaning, from a technical perspective the futures are not considered a sell whilst the divergence is in play.
- A cautious bear, arguably not a technical sell at this point.

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