

## China

China's central bank could cut the required reserve ratio for banks to adjust liquidity after the PBOC drained funds through its open market operations, Securities Daily reports, citing analysts (Bloomberg).

## Cu/Zn

The government of Peru, the second-biggest producer of copper and zinc, expects that shipments of the commodities will begin to normalize within days as the nation's worst street protests in decades ease.

"The issue of protests has been reduced to a minimum at this time," Oscar Vera, newly-appointed energy and mines minister, said in an interview. "The mining corridor is now open and in the coming days, mineral will begin to be taken out."

The full resumption of shipments will come as a relief to tight global metal markets, which were roiled by a surge of protests prompted by the impeachment of former President Pedro Castillo. The months of unrest — which constrained the transport of metal to ports and supplies to mines — embroiled operations by companies including Glencore Plc and Freeport-McMoRan Inc., while highlighting risks to commodity output from emerging markets. (Bloomberg)

## Al

The biggest aluminum producer in the Middle East said prices for the metal would remain under pressure because of the global economic slowdown.

Emirates Global Aluminium PJSC's net income rose 34% to a record \$2 billion in 2022. The company's performance was bolstered by a surge in commodity prices after Russia's invasion of Ukraine early in the year and slowed in the second half.

"The immediate outlook for aluminum remains under some pressure due to its close correlation to the health of the global economy," Chief Executive Officer Abdunnasser bin Kalban said in a statement. (Bloomberg)

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,914	R1	9,025		RSI below 50
S2	8,828	R2	9,061	8,938	
S3	8,780	R3	9,168		

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (48)
- Stochastic is below 50
- Price is above the daily pivot point USD 8,913
- Technically bearish with a neutral bias yesterday, the RSI was back below 50 whilst its MA remained above 50 but was showing signs of weakness, warning support levels were vulnerable. The daily technical was trading in its EMA support band, suggesting a little caution; however, the bands were flattening, indicating a lack of trend on the higher timeframe. Downside moves below USD 8,881 would further support a seller's argument, warning the USD 8,828 support could come under pressure. The futures did move lower, trade through the USD 8,828 support, before recovering most of the days losses. The futures are below the EMA support band with the RSI below 50, intraday price and momentum are conflicting, as the RSI and its MA are trading at the same value.
- A close on the 4-hour candle above USD 8,913 with the RSI at or above 51 will mean price and momentum are aligned to the buy side; likewise, a close below this level with the RSI at or below 46.5 will mean it is aligned to the sell side.
- A conflicting technical, having moved higher last week the technical became bearish neutral, the downside move yesterday breached the USD 8,828 support, implying the technical is bearish again; however, we have mean-reverted back to the averages. The RSI and its MA are flat, as are the EMA's, both indicating a lack of directional bias, leaving us neutral at this point. Indicators are directionless, meaning price will be the lead; if we trade below and close below USD 8,810.5 it will suggest a more complex corrective phase, warning of lower pricing. We have a 3-wave move lower, if we trade above and close above USD 9,025 then the USD 9,135 and USD 9,168 resistance levels could come under pressure, as 3-wave correctives can have bullish implications.

# Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,383		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 (46)
- Stochastic is below 50
- Price is below the daily pivot point USD 2,384
- We remained bearish with a neutral bias yesterday; like copper, the RSI was below 50 with its MA starting to weaken, warning support levels were becoming vulnerable. A close on the 4-hour candle above USD 2,418 would imply that momentum based on price was starting to strengthen, indicating the USD 2,455 fractal high from the 02/03 could come under pressure. The futures have traded to a low of USD 2,363 warning the technical continues to show signs of weakness, price is below the EMA resistance band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,384 with the RSI at or above 51 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.
- Technically we are bearish due to the breach in the USD 2,363 support, warning that the USD 2,238 and USD 2,321.5 fractals are now vulnerable; the MA on the RSI also implies that momentum remains weak. Upside moves on the 4-hour candle that close above USD 2,422 will warn that momentum based on price is starting to strengthen, implying resistance levels could come under pressure.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,034	R1	3,062		RSI below 50
S2	2,944	R2	3,076		
S3	2,954	R3	3,100		

## Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is above 50 (50)
- Stochastic is below
- Price is above the daily pivot point USD 3,034
- Technically bearish with a neutral bias on the last report, we noted last week that USD 3,018 will be a key level going forward, as this was the low of the 4-hour rejection candle, this level was vulnerable but remained. Like Cu and Al, the RSI was below 50 with its MA starting to weaken, implying support levels were vulnerable. A close on the 4-hour candle above USD 3,083.5 would indicate that momentum based on price was starting to strengthen, whilst a move above USD 3,100 would suggest that the USD 3,143 – USD 3,149 fractal resistance levels could be tested and broken. The futures traded below the USD 3,018 support, resulting in price trading to a low of USD 2,990 before moving higher later in the session. Price is between the EMA resistance band with the RSI neutral at 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 3,034 with the RSI at or above 51.5 will mean price and momentum are aligned to the buy side. Likewise, a close below this 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 3,062 will leave the futures vulnerable to further tests to the downside, above this level the futures will target the USD 3,100 fractal resistance.
- Technically we are bearish; however, we can see that the futures have once again held the support band, leaving us cautious on downside moves at this point, as the support band has been in play for 7 months.

# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	24,012	R1	24,430	Stochastic oversold	RSI below 50
S2	23,644	R2			
S3	23,121	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (41)
- Stochastic is oversold
- Price is below the daily pivot point USD 24,465
- Technically bearish yesterday the futures had moving higher on the back of a positive divergence, downside moves below USD 24,100 would create a second divergence with the RSI. For this reason, we maintained our view that the futures were not considered a technical sell at these levels. Little movement in price yesterday, the futures 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 24,465 with the RSI at or above 46.5 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 25,027 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 25,505 is the technical bullish.
- No change on the technical, we remain bearish but maintain our view that downside moves are not considered a technical sell, as a new low will create further divergences with the RSI.

# Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,096	R1	2,113.50	RSI above 50	
S2	2,088	R2			
S3	2,074	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is between the EMA support band (Black EMA's)
- RSI is above 50 (50)
- Stochastic is below 50
- Price is below the daily pivot point USD 2,116
- Technically bullish yesterday, the futures were holding above key support with the RSI neutral at 50; however, its MA showed signs that momentum was weakening. The futures were consolidating in the form of a symmetrical triangle, a neutral pattern with directional bias coming from a breakout from the opposing trend lines. In terms of price, little has changed; however, we have seen a 4-hour candle close to the downside on the symmetrical triangle, what we have not seen on the Asian open is downside follow through. We remain below the pattern but price is now trading between the EMA support band with the RSI neutral at 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,116 with the RSI at or above 54.5 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 2,096 will support a bull argument, below this level the technical will have a neutral bias.
- The technical is bullish, the lack of follow through on the downside breakout means the MA on the RSI has now started to flatten, momentum is becoming neutral. In theory we should test support levels; however, with the technical being bullish whilst momentum based on price is stalling, we are concerned this could be a false breakout (fake out) making USD 2,096 the key level to follow on the technical. If broken, then the USD 2,074 fractal low could come under pressure.

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