

## China

China's consumer and producer prices remained subdued in February as food and commodities costs eased, suggesting the country's reopening won't be adding to global inflation pressures.

The consumer price index rose 1% last month from a year earlier, the National Bureau of Statistics said Thursday, the lowest level since February 2022 and well below estimates. Less volatile core inflation eased to 0.6% from 1%, while producer prices stayed in deflation, dropping 1.4%. (Bloomberg).

## Cu

China's copper smelters are preparing to boost exports, a sign its manufacturing and construction sectors aren't yet making a decisive recovery from the ravages of the past year.

The possibility of a powerful rebound in Asia's biggest economy has fueled a number of bullish calls on the industrial metal since China exited strict Covid curbs late last year. But an imminent burst of exports from the world's biggest copper market suggests appetite for the bellwether metal among domestic buyers is still shaky.

At least four major smelters are planning to deliver 23,000 to 45,000 tons of refined copper in total to London Metal Exchange depots in Asia in coming weeks, according to people with knowledge of the sales, who asked not to be identified because the plans are private (Bloomberg).

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,879	R1	8,892		RSI below 50
S2	8,713	R2	8,924	8,843	
S3	8,670	R3	8,980		

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (47)
- Stochastic is above 50
- Price is above the daily pivot point USD 8,839
- Technically bearish yesterday, the MA on the RSI was moving lower, indicating momentum was weakening with the futures making lower lows and lower highs, suggesting the USD 8,670 fractal support was vulnerable. The futures had started to find light buying support before Powell mentioned the size of the next rate cut had not been decided, resulting in some intraday USD weakness and an upside move in Cu. We remain 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 8,839 will mean price and momentum are aligned to the buy side; likewise, a close below this level with the RSI at or below 42.5 will mean it is aligned to the sell side. Downside moves that hold at or above USD 8,791 will support a near-term bull argument, below this level we target the USD 8,713 – USD 8,670 fractal support levels.
- The upside move above USD 8,892 means that the futures although bearish, now have a neutral bias. The MA on the RSI is flat, implying momentum is also becoming more neutral. Intraday Elliott wave analysis still suggests that we should have another test to the downside; however, we now have a more cautious approach due to the strength of yesterday's upside move.

# Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,347		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 (43)
- Stochastic is below 50
- Price is below the daily pivot point USD 2,349
- Technically bearish yesterday with the MA on the RSI remaining weak, suggesting the USD 2,338 and USD 2,321.5 fractal support levels were vulnerable. If we did trade below the USD 2,321.5 fractal low, then we had the potential to create a positive divergence on the daily technical, meaning we were cautious on downside breakouts to a new low. The futures traded to a new low creating in a divergence on the daily and intraday technical before moving higher. We remain 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 2,349 will mean price and momentum are aligned to the buy side; likewise, a close below this level with the RSI at or below 40 will mean it is aligned to the sell side. Upside moves that fail at or below USD 2,408 (revised higher) will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the futures have rejected the EMA resistance band on the open, warning support levels remain vulnerable. However, the upside move is on the back of a dual timeframe divergence, means we are cautious on downside moves at this point.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,946	R1	2,952.5		RSI below 50
S2	2,916	R2			
S3	2,890	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (42)
- Stochastic is below 50
- Price is below the daily pivot point USD 2,961
- We remained a cautious bear yesterday due to the support zone that is in play. Downside moves below USD 2,939 had the potential to create a positive divergence with the RSI, not a buy signal it warned we could see a momentum slowdown and needed to be monitored. However, momentum remained weak as the MA on the RSI was pointing lower, leaving it conflicting, making USD 3,018 the key resistance to follow. The futures did trade to a new low with the downside move failing to hold due to the divergence, resulting in a move higher. Price is 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 2,961 with the RSI at or above 45.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 3,008 will leave the futures vulnerable to a test to the downside, above this level the technical will have a neutral bias. Only above USD 3,056.5 is the technical bullish.
- Technically bearish with the futures trading in the support zone having moved higher on the back of a positive divergence. We have rejected the EMA resistance band, meaning the USD 2,914 fractal support remains vulnerable; however, due to the divergence we are a cautious bear at this point. Upside moves that trade above and hold above the USD 2,970 level will warn that the USD 3,008 and USD 3,026 resistance levels are vulnerable.

# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	23,866	R1	23,974	Stochastic oversold	RSI below 50
S2	23,644	R2			
S3	21,121	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (38)
- Stochastic is oversold
- Price is above the daily pivot point USD 23,866
- Technically bearish but in divergence with the RSI yesterday, warning sell side momentum could be slowing. We also had a 3-peak pattern in close succession (highlighted on chart), this is also an exhaustion pattern, for this reason we maintained our view that the futures were not considered a technical sell. Limited price action with the futures moving sideways, price remains 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 23,866 with the RSI at or above 42.5 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 24,504 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 24,950 is the technical bullish.
- Technically bearish but in divergence with the RSI, warning sell side momentum could be slowing. We also have a 3-peak pattern in close succession (highlighted on chart), this is also an exhaustion pattern, for this reason we maintain our view that the futures are not considered a technical sell at this point (unchanged).

# Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,088		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 on the daily pivot point USD 2,088
- Technically bearish yesterday supported by the MA on the RSI. The futures were nearing the 100% Fibonacci projection from the symmetrical breakout, a close below this level would warn that the USD 2,050 fractal support was vulnerable. Support held, resulting in the futures trading up to and rejecting the EMA resistance band, the RSI remains below 50 with intraday price and momentum conflicting.
- A close above USD 2,088.5 with the RSI at or above 49 will mean price and momentum are aligned to the buy side; likewise, a close below this level with the RSI at or below 44.5 will mean it is aligned to the sell side. Upside moves that fail at or below USD 2,115 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the futures have rejected the upside Fibonacci and resistance band warning support levels remain vulnerable. This technical could be about to get interesting, as we have an intraday symmetrical triangle within a daily symmetrical with price probing the trend support. If we start seeing the 4-hour candle trade below and close below the USD 2,070 level, then we could see an acceleration in downside momentum. Ultimately, we would like to see the daily technical close below this level. Key resistance to follow is at USD 2,115.

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