

China

China's economic rebound isn't yet solid and requires more fiscal support, monetary policy incentives and aid to industries, according to state-run China Securities Journal.

Private firms now number 4.7 million, 93% of China's total, and are candidates for extra support to increase domestic consumption and improve the business environment, said Liu Sijia, an analyst with Donghai Securities (Bloomberg).

Cu/Zn/Pb

Copper rebounded to trim a weekly loss after a rescue package for First Republic Bank aided sentiment after a week of jitters over banking crises in the US and Europe.

Base metals slumped earlier this week as uncertainty over Credit Suisse Group AG and the collapse of some regional US banks fueled fears of spill-over into the broader economy. Copper rose on Thursday and Friday after the biggest US lenders agreed to contribute \$30 billion in deposits to First Republic, easing speculation the bank would become the latest in a string of failures.

"There is a bit of an easing in risk-aversion" following financial aid to both Credit Suisse and First Republic in the US, Everbright Futures Co. said in a note. Markets will still closely monitor the Federal Reserve's comments on rate hikes, it said.

The US central bank meets next week, with the market currently pricing in an 82% chance of a hike. That was lower earlier in the week before worries over the banking crises eased.

"There is also bargain-hunting among Chinese investors following the recent price slumps," said Jia Zheng, a trader with Shanghai Dongwu Jiuying Investment Management Co.

Copper rose 1.6% to \$8,650.50 a ton on the London Metal Exchange as of 12:24 p.m. in Shanghai, paring its weekly drop to 2.5%. Zinc and aluminum were up 2% and 1.7%, rising from the lowest closes since November and January, respectively. (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,522	R1	8,665	Stochastic oversold	RSI below 50
S2	8,408	R2	8,719		
S3	8,311	R3	8,793		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (45)
- Price is above the daily pivot point USD 8,528
- Stochastic is oversold
- Technically bearish yesterday, the futures were in divergence with the RSI dating back to 27/02, warning we had the potential to see a momentum slowdown; however, the MA on the RSI suggested that resistance levels could hold if tested in the near-term. We based yesterday with price trading higher on the Asian open, price is now testing that Fibonacci resistance zone. The futures are below the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 8,528 with the RSI at or below 39 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 8,793 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the MA on the RSI is still suggesting that resistance levels should in theory continue to hold if tested in the near-term, making USD 8,793 the key level to follow.

Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear		
S1	2,284	R1	2,315	2,309	Stochastic oversold	RSI below 50
S2	2,268	R2	2,332			
S3	2,238	R3	2,345			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (47)
- Stochastic is oversold
- Price is above the daily pivot point USD 2,284
- Technically bearish yesterday with the futures in divergence with the RSI, suggesting caution on downside moves. The futures moved sideways for the session before moving higher on the Asian open. Price is below the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,284 with the RSI at or below 41.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,332 will leave the futures vulnerable to further tests top the downside, above this level the technical will have a neutral bias. only above USD 2,380 is the technical bullish.
- The futures remain bearish with price now trading in the Fibonacci support zone. We remain caution on downside moves at this point due to the move higher being on the back of a divergence.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,852	R1	2,919	Stochastic oversold	RSI below 50
S2	2,818	R2			
S3	2,785	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (48)
- Stochastic is at 50
- Price is above the daily pivot point USD 2,854
- Technically bearish yesterday, the RSI was testing support dating back to the 27/02 whilst the 1-hour technical was in divergence, warning we had the potential to see a momentum slowdown. The downside move failed to hold resulting in price moving higher on the Asian open. Price is back trading in the old support zone and 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 2,854 with the RSI at or below 38 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,852 will support a near-term bull argument, below this level the futures will target the USD 2,818 fractal support. Only above USD 2,967 is the technical bullish.
- The upside move on the back of the divergence yesterday has resulted in a deep pullback, meaning the technical is bearish but with a neutral bias. We are conflicting here, as the lower timeframe is warning we are still vulnerable to another test to the downside; however, the depth of this pullback would suggest that the probability of the futures trading to a new low has decreased. For this reason we are cautious on downside moves from here, as a new low has the potential to create further positive divergences.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	22,620	R1	23,510		RSI below 50
S2	22,455	R2	23,785	23,236	
S3	21,613	R3	24,157		

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 below the daily pivot point USD 23,275
- Technically bearish yesterday we continued to remain cautious on downside breakouts due to the divergence that was in play. The futures held above support levels with price moving higher into the close. 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 23,275 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 24,157 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 we are bearish; however, the RSI is holding above its MA which is now sloping in an upward trajectory, suggesting the USD 24,157 resistance could be tested and broken.

Lead Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	2,069	R1	2,091	2,090	RSI above 50	
S2	2,057	R2	2,112			
S3	2,042	R3	2,125			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (51)
- Stochastic is below 50
- Price is below the daily pivot point USD 2,078
- Technically bullish with a neutral bias yesterday, downside moves to a new low would create a positive divergence with the RSI, suggesting caution on moves below USD 2,057.5. The futures failed to make a new low with price moving higher on the Asian open. Price is now trading in the EMA resistance band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,069 with the RSI at or below 45.5 will mean price and momentum are aligned to the sell side.
- The upside moves on the Asian open has breached the USD 2,091 resistance, warning that the USD 2,107 fractal high is now vulnerable. The RSI is at 51 with the stochastic in oversold territory, if the RSI can hold above 50, then momentum would suggest that resistance levels could be tested, and potentially broken. If the RSI moves below 50 then the stochastic is considered as less relevant. The futures continue to consolidate, the symmetrical triangle is now looking like a descending triangle pattern (I am all triangled out in lead). This pattern warns the technical picture is potentially weakening, however, they can be reversal patterns. I would treat this exactly the same as a symmetrical pattern, wait for the breakout and confirm it is holding for directional bias.
- Technically bullish, but based on the lack of directional bias we are neutral.

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