

China

China's economic recovery was mixed in March with business confidence and the housing market improving but the global outlook darkening amid heightened financial market turmoil.

Bloomberg's latest aggregate index of eight early indicators showed growth momentum steadied from February, with the overall gauge remaining at 4. Falling car sales and weak global demand were the main drags on the index.

China's reopening after three years of strict pandemic rules has boosted confidence, with consumers once again filling up restaurants and subways, and businesses returning to normal. The housing market slump, which has been a major drag on the economy, is also showing signs of bottoming out as home sales and prices rebounded recently.

The global environment remains uncertain, though, with central banks continuing to hike interest rates to curb inflation and a banking crisis fueling investor concern. A weakening global economy means a further slump in demand for Chinese exports, which have already plummeted in recent months. (Bloomberg)

Ni

Nickel on the London Metal Exchange resumed Asian-hours trading on Monday, marking a crucial step in efforts to repair the market after last year's unprecedented turmoil.

The metal opened for business at 1 a.m. London time, more than a year after the LME suspended trading and canceled billions of dollars worth of deals in response to a runaway short squeeze centered around top producer Tsingshan Holding Group Co. Prices surged 250% in a little over 24 hours in early March 2022, with the sharpest spike taking place during the Asian day. The market reopened a week later, but only from 8 a.m. in London.

The LME had originally planned to resume Asian trading a week ago, but delayed the restart due to the risk of volatility after its discovery that a small number of bagged cargoes in its warehouse network contained stones instead of nickel. The LME said on Thursday that no further issues were identified during a global audit of nickel stored elsewhere in its warehousing network.

The LME is hoping that the expanded hours will boost trading volumes, by making it easier to arbitrage between London and Shanghai contracts. Activity in the nickel market has remained well below pre-crisis levels, and the lack of liquidity has contributed to occasional wild price swings. (Bloomberg)

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,845	R1	8,977	RSI above 50	
S2	8,768	R2	9,048		
S3	8,664	R3	9,140		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (55)
- Price is below the daily pivot point USD 8,977
- Stochastic is below 50
- We were a cautious bull on Friday, the futures were in a bullish trending environment but the lower timeframe RSI was still in divergence, warning we had the potential to see a momentum slowdown. The futures have moved lower but remain above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 8,977 with the RSI at or above 60.5 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 8,664 will support a longer-term bull argument, below this level the daily technical will have a neutral bias.
- Technically bullish but with a neutral bias on the intraday, the futures are moving lower on the back of a negative divergence on the 1-hour chart, below USD 8,836 the intraday technical is bearish. However, the 4-hour RSI has made a new high, warning there is potentially a larger cycle in play, making USD 8,664 the key support to follow at this point.

Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,339	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (56)
- Stochastic is overbought
- Price is below the daily pivot point USD 2,340
- Technically bearish but with a neutral bias on Friday, the strength of the upside moves was warning that the USD 2,380 fractal high had the potential to be tested and broken. The MA on the RSI implied momentum remained supported, the futures traded to a high of USD 2,364.5 before moving lower. Price remains above the EMA resistance band with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,340 will mean price and momentum are aligned to the buyside; likewise, a close below this level with the RSI at or below 53.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,296 will support a near-term bull argument, below this level the futures will target the USD 2,261 fractal support.
- We remain bearish with a neutral bias with the MA on the RSI suggesting momentum remains supported at this point. Downside moves on the 4-hour candle that close below USD 2,335 or trade below USD 2,312.5 will warn that the USD 2,296 support could come under pressure.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,869	R1	2,881.5		RSI below 50
S2	2,853	R2			
S3	2,834	R3			

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 below the daily pivot point USD 2,900
- Technically bearish with a neutral bias, we noted that the MA on the RSI was turning higher, suggesting momentum was strengthening; however, it was not yet strong. Upside moves above USD 2,941 would warn that the USD 2,967 fractal high could be tested and broken. The futures traded to a high of USD 2,936 before entering a corrective phase. 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 2,900 with the RSI at or above 51 will mean price and momentum are aligned to the buyside. Downside moves below USD 2,853 will warn that the USD 2,834 and USD 2,818 fractal support could be tested and broken.
- We remain bearish with a neutral bias, the move below USD 2,879 is warning that the USD 2,853 fractal support is now vulnerable. A close on the 4-hour candle above USD 2,894 will imply that momentum based on price is starting to strengthen, if supported by the RSI moving above 51, we could potentially see another test to the upside. The MA on the RSI is now flat with the RSI just above 48, suggesting momentum has more of a neutral bias at this point.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	22,644	R1	23,140		Stochastic overbought
S2	22,442	R2			
S3	22,100	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is below 50 (49.5)
- Stochastic is overbought
- Price is below the daily pivot point USD 23,428
- Technically bearish but in divergence last week, meaning we maintained our view that the futures were not considered a technical sell at this point. The futures moved higher with price trading above the USD 23,615 fractal resistance, meaning the intraday technical is bullish based on price. A corrective move lower on the Asian open (we are now back to normal trading hours) means the futures are trading in the EMA resistance band with the RSI neutral at 49.5, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 23,428 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. Downside moves that hold at or above USD 22,644 will support a bull argument, below this level the technical will have a neutral bias. Only below USD 22,100 is the technical bearish.
- The downside move in the overnight session has held above the USD 22,644 support, warning that the USD 23,700 fractal resistance is now vulnerable. Technically bullish, the MA on the RSI would indicate that momentum is also supported.

Lead Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	2,118	R1	2,134	2,120	RSI above 50	
S2	2,107	R2	2,150			
S3	2,097	R3	2,169			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (54)
- Stochastic is below 50
- Price is below the daily pivot point USD 2,118
- Technically bullish last week, we had failed to get the bullish close on the new high; however, it did create a negative divergence with the RSI, suggesting caution on upside moves. Sideways action since then with the futures trading within USD 1.5 from the last report. Price is above the EMA support band with the RSI above 50, intraday price and momentum continues to conflict.
- A close on the 4-hour candle above USD 2,118 with the RSI at or above 57.5 will mean price and momentum are aligned to the buy side. Likewise, a close below this level with the RSI at or below 53 will mean it is aligned to the sell side. Downside moves that hold at or above USD 2,097 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish the futures have started to consolidate. We remain cautious on upside moves due to the potential divergence, making USD 2,097 the key support to follow.