

China

China's economic recovery gathered pace in March, with gauges for manufacturing, services and construction activity remaining strong, boosting the outlook for growth this year.

The purchasing managers' index for the non-manufacturing sector jumped to 58.2 in March, the highest level since May 2011, led by a surge in the construction sub-index to a record high. (Bloomberg)

Cu

Copper pared a second quarterly advance as investors wait to see concrete evidence of a recovery in Chinese demand in the wake of the latest strong manufacturing data.

Prices for the metal rallied in January on expectations for a rebound in demand after the end of Covid curbs, but they have struggled for direction since then as Chinese consumption levels disappointed.

Data Friday showed China's manufacturing PMI beat forecasts in March, while a construction sub-index hit a record high. Still, investors are waiting for physical proof of a recovery in metals consumption after high expectations at the start of the year, said Fan Rui, an analyst with Guoyuan Futures Co. (Bloomberg)

Ni

The London Metal Exchange proposed sweeping changes to its nickel operations, including allowing a new form of the metal to be delivered against its contracts and opening a new spot market in China.

The reforms are part of a broad overhaul designed to strengthen trading after 2022's short squeeze. They follow recommendations made in an independent review of the nickel crisis, when prices more than tripled in just over 24 hours before the LME halted trading and canceled billions of dollars of contracts.

The exchange is facing a rare probe from the UK's Financial Conduct Authority over its handling of the debacle, as well as lawsuits from hedge funds who stood to gain from the spike in prices.

The turmoil centered on top producer Tsingshan Holding Group Co., which had amassed a large short position and wasn't able to deliver nickel against it as prices jumped last March, despite making vast quantities of lower-grade forms of the metal.

The LME plans to expand the forms of nickel that can be delivered against its contracts to include coarse nickel powder, the bourse said Thursday. Tsingshan is looking to boost production of LME-grade metal alongside peers who were also caught out by the squeeze, and the LME said it will fast-track the approval of new brands.

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,928	R1	8,968.5	RSI above 50	
S2	8,897	R2			
S3	8,844	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (52)
- Price is below the daily pivot point USD 9,012
- Stochastic is above 50
- The futures traded to a high of USD 9,092 before correcting into the close, price is moving lower in the Asian day session, but we 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 9,012 with the RSI at or above 57 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 8,928 will support a bull argument, below this level the futures will have a neutral bias.
- Technically we remain bullish with price moving lower. This is the 6th day where the daily pivot point is flat, indicating the futures are consolidating. In theory we have not traded to a new high, meaning the Wave cycle has not achieved its minimum requirement for cycle/phase completion. We did however produce a new high close on the 4-hour candle yesterday. The technical is bullish based on price, based on the daily pivot point cluster suggests it has more of a neutral bias at this point.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,367	R1	2,384	RSI above 50	
S2	2,350	R2			
S3	2,336	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (57)
- Stochastic is at 50
- Price is below the daily pivot point USD 2,387
- We did not consider the futures a technical buy yesterday due to the lower timeframe divergence, trend break and the rejection candle. The futures traded sideways for most of the session with price flat to yesterday's close this morning. We remain above the EMA support band with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,387 with the RSI at or above 40 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. Downside moves that hold at or above USD 2,350 will support a bull argument, below this level the technical will have a neutral bias.
- We remain technically bullish, but as highlighted above, there are too many warning signals to consider the futures a 'technical' buy at this point.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,907	R1	2,931	RSI above 50	
S2	2,890	R2			
S3	2,861	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (51)
- Stochastic is below 50
- Price is below the daily pivot point USD 2,945
- Technically bullish yesterday, the MA on the RSI continued to suggest that momentum was supported, leaving resistance levels vulnerable. Upside moves above USD 2,999 had the potential to create a negative divergence on the RSI on the 1-hour chart, not a sell signal it did warn we could see a momentum slowdown and needed to be monitored. Countering this, a new high would be above the 4-hour rejection candle, meaning we could see some intraday stops being active, which could leave the market a little bit lively for a while if this happened. The futures did move higher but failed to trade above the USD 2,999 high, resulting in a move lower. We 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 2,945 with the RSI at or above 58 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 2,907 will support a bull argument, below this level the futures will have a neutral bias.
- Technically bullish the futures are correcting with the MA on the RSI moving lower, indicating momentum is weakening, warning the USD 2,907 support could come under pressure.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,690	R1	23,288	Stochastic oversold	RSI below 50
S2	22,100	R2	23,448		
S3	20,802	R3	23,630		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (53)
- Stochastic is below 50
- Price is below the daily pivot point USD 23,288
- We were a cautious bull yesterday, as the futures were moving lower on the back of a 1-hour divergence, suggesting support levels continued to remain vulnerable. The MA on the RSI was flat as was the EMA resistance band, implying there is a lack of trend in the market. the futures did move lower resulting in support levels being broken, price is now 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 23,288 with the RSI at or above 53 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 23,876 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 24,400 fractal resistance.
- Technically bullish but with the neutral bias. The RSI is now below 50 with its MA turning lower, suggesting the USD 22,690 support could be tested and broken, this would also imply that resistance levels should hold in the near-term if tested.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,123	RSI above 50	
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is at 50 (50)
- Stochastic is at 50
- Price is below the daily pivot point USD 2,137
- Technically bullish yesterday, the upside moves continued to fail on the back of the negative divergences, leaving us a cautious bull, as support levels have the potential to come under pressure. The futures moved higher again, failed to hold, and are now correcting. Price is between the EMA support band with the RSI and stochastic both neutral, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,137 with the RSI at or above 56.5 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 2,101 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish but in a corrective phase, we maintain our view that support levels look vulnerable as the futures have rejected resistance levels again.