

China

China's consumer and producer inflation remained muted in March, suggesting more monetary or fiscal stimulus may be needed to strengthen the economy's recovery.

The consumer price index rose 0.7% last month from a year ago, the National Bureau of Statistics said Tuesday, weaker than the 1% forecast by economists in a Bloomberg survey. Producer price deflation worsened to 2.5%, the lowest since June 2020. Core inflation, which excludes volatile food and energy prices, climbed slightly to 0.7% from 0.6%. (Bloomberg).

Cu

Copper rose for a third session as investors weighed the possibility of more stimulus in China just as supply is rising from top producers.

Data on Tuesday showed that China's consumer inflation slowed in March, leaving room for the central bank to ease monetary policy to aid the recovery. Sentiment has also been bolstered as equities advanced with positive momentum picking up.

The metal has largely traded sideways since January as the market looks for signs that demand from top consumer China is rebounding, while also assessing the risks of recession in the US and Europe. (Bloomberg)

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,809	R1	8,878		RSI below 50
S2	8,685	R2	8,946		
S3	8,643	R3	9,000		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA Resistance band (Black EMA's)
- RSI is below 50 (46)
- Price is above the daily pivot point USD 8,809
- Stochastic is above 50
- We remained technically bearish last Thursday with the futures now trading in the Fibonacci resistance zone. We could see on the chart that this had also been an area of consolidation since the 23/03 to the 03/04, making it an area of interest for market sellers, warning we remained vulnerable to further tests to the downside at this point. If the USD 8,946 resistance was breached, then the depth of the pullback will be considered as deep, warning that the probability of the futures trading to a new low would have decreased. The USD 8,878 resistance level continues to hold at this point with the futures only slightly lower. Price is below the EMA resistance band with the RSI below 50, intraday price and momentum is currently aligned to the buyside.
- A close on the 4-hour candle below USD 8,809 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 8,946 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically little has changed, we remain bearish with price below key resistance (USD 8,946) and the consolidation zone, warning support levels remain vulnerable at this point.

Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,331	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (43)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,342
- The futures remained in a corrective phase last week with the MA on the RSI continuing to suggest that buy-side momentum remained weak, warning that the USD 2,312.5 support was vulnerable. The futures continued to move lower with price below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,342 with the RSI at or above 48 will mean price and momentum are aligned to the buy-side. Upside moves that fail at or below USD 2,354 will leave the futures vulnerable to further tests to the downside, above this level the futures will target the USD 2,371 fractal resistance.
- We remain above the USD 2,312.5 fractal support, meaning the technical is still bullish with a neutral bias. The MA on the RSI is still bearish but has flattened a little. This would suggest that we are seeing a momentum slowdown, but support levels are still vulnerable. We are now cautious on this downside move as the RSI is also on support, suggesting there could be a minor positive divergence in play.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,750	R1	2,792	Stochastic oversold	RSI below 50
S2	2,720	R2	2,830		
S3	2,704	R3	2,848		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (37)
- Stochastic is oversold
- Price is on the daily pivot point USD 2,792
- We were a cautious bear last week as momentum was conflicting, the MA on the RSI suggested it was weak, but the RSI was holding support, meaning there was a minor divergence in play. The futures did move lower with price making a new low on the open; however, the move is failing to hold at this point with the RSI now in divergence. Price is below all key moving averages supported by the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,792 with the RSI at or above 40 will mean price and momentum are aligned to the buyside. Likewise, a close below this level with the RSI at or below 35.5 will mean it is aligned to the sell side. Upside moves that fail at or below USD 2,871 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- The RSI is now in divergence with price. Not a buy signal it is a warning that we have the potential to see a momentum slowdown and will need to be monitored, meaning we remain a cautious bear at this point, suggesting the futures are not considered a sell at these levels.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	22,738	R1	23,167		RSI below 50
S2	22,460	R2	23,433		
S3	22,044	R3	23,643		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (49)
- Stochastic is at 50
- Price is above the daily pivot point USD 22,738
- We were a cautious bear last week as the futures were in divergence on the 1-hour technical, warning we had the potential to see a momentum slowdown. Having traded to a new low the futures found buying support with price now testing the Fibonacci resistance zone. 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 22,738 with the RSI at or below 43 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 23,433 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the upside move on the lower timeframe divergence means the 4-hour MA on the RSI is now flat, supporting a momentum slowdown. We remain a cautious bear at this point as the USD 23,433 resistance is starting to look vulnerable.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	2,103	R1	2,106.5		RSI below 50	
S2	2,092	R2				2,132
S3	2,076	R3				2,154

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (46)
- Stochastic is below 50
- Price is above the daily pivot point USD 2,103
- Technically bullish with a neutral bias last week, the futures were consolidating with the MA on the RSI flat, whilst price and momentum conflicted. For this reason, we had a neutral bias. The futures tested the upside and downside with price remaining in consolidation, we remain below the EMA support band with the RSI below 50, intraday price and momentum continue to conflict.
- A close on the 4-hour candle below USD 2,103 will mean price and momentum are aligned to the sell side; likewise, a close above this level with the RSI at or above 50 will mean it is aligned to the buyside. Upside moves that fail at or below USD 2,132 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 2,154 resistance.
- On paper we are bullish with a neutral bias. The technical is in consolidation whilst the MA on the RSI now flat, implying we have a neutral bias. The downside move on the 06/04 did create a positive divergence with the RSI, not a buy signal it is a warning that we have the potential to see a momentum slowdown and will need to be monitored., suggesting caution on downside moves at this point.