

China

China and the World Bank are exploring compromises over how to restructure billions of dollars of debt held by poor nations, seeking a long-sought breakthrough that could unlock desperately needed aid.

Discussions on Wednesday in Washington, during the World Bank and International Monetary Fund's Spring Meetings, are aimed at ending a deadlock among the world's biggest creditor nations on how to renegotiate several poorer nations' debt, which had become unsustainable amid surging inflation and a stronger dollar.

A proposal under discussion this week would see the World Bank provide fresh low-interest loans — known as concessional lending — and other grants to countries on the verge of default, in exchange for China dropping a key demand and agreeing on a timeline for debt relief. The talks were described by people familiar with the matter, who asked not to be identified because the discussions are private and the outcome is still uncertain. (Bloomberg).

Metals

Aluminum climbed from a three-week low and copper extended gains to a fourth day on fresh optimism for Chinese demand.

Investors are bracing for US inflation figures due today that are seen as crucial for steering the Federal Reserve's next moves on interest rates. Before that, risk assets are getting a boost from more upbeat sentiment on China's demand outlook.

Credit growth in China was faster than expected in March, according to data from the People's Bank of China on Tuesday. There's also rising bets for more monetary easing in Asia's biggest economy as Beijing tries to support the country's recovery.

Supplies of metal in China remain tight in general, Citic Futures Co. said in a note.

Base metals have drifted since a strong start to 2022 as China's economy struggles back to health, and growth in other major economies also looks uncertain.

Aluminum rose 0.5% to \$2,315 a ton on the London Metal Exchange by 11:36 a.m. Shanghai time, after prices on Tuesday closed at the lowest level since March 22. Copper gained 0.3% and zinc added 0.5%. (Bloomberg)

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,850	R1	8,946		RSI below 50
S2	8,822	R2	9,000	8,867	
S3	8,792	R3	9,092		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA Resistance band (Black EMA's)
- RSI is below 50 (49)
- Price is above the daily pivot point USD 8,850
- Stochastic is overbought
- Technically bearish yesterday the futures remained below our key resistance and the consolidation zone, warning support levels remained vulnerable. The futures moved marginally higher but remain below the USD 8,946 resistance with price now above the EMA band, the RSI is neutral with price and momentum aligned to the buy side.
- A close on the 4-hour candle below USD 8,850 with the RSI at or below 46 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.
- The RSI is neutral with the stochastic in overbought territory, if the RSI moves below 50 then momentum will be vulnerable to a test to the downside. However, the MA on the RSI is suggesting momentum is supported at this point, meaning momentum is conflicting at this point. Technically we remain bearish below the consolidation zone and key resistance, if the RSI can hold below 50 then we could see support levels be tested. Downside moves that hold at or above USD 8,751 will support a near-term bull argument, below this level we target the USD 8,665 fractal support.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,303	R1	2,312	Stochastic oversold	RSI below 50
S2	2,285	R2			
S3	2,262	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (40)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,314
- We remained above the USD 2,312.5 fractal support yesterday, meaning the technical was still bullish with a neutral bias. The MA on the RSI had started to flatten a little, suggesting that we were seeing a momentum slowdown, but support levels were still vulnerable. We were cautious on this downside move as the RSI was also on support, suggesting there could be a minor positive divergence in play. The futures have moved lower with price breaking support, meaning the technical is now bearish. 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 2,314 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 2,345 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 2,371 is the technical bullish.
- Technically bearish, the downside moves yesterday meant that the positive divergence has failed on the 4-hour intraday technical; however, the MA on the RSI continues to flatten whilst the lower timeframe RSI does have the potential to diverge on a new low. The USD 2,296 low from yesterday does look like it could be tested and broken, but we now have momentum indicators warning that the futures are not considered a technical sell at these levels.

Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,749	Stochastic oversold	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 (34)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,771
- The RSI was in divergence with price yesterday. Not a buy signal it was a warning that we had the potential to see a momentum slowdown and needed to be monitored, meaning we remained a cautious bear at this point, suggesting the futures were not considered a sell at these levels. The futures have traded to a new low with price below all key moving averages supported by the RSI below 50, intraday price and momentum are conflicting as the current bear candle is still open.
- A close on the 4-hour candle below USD 2,771 with the RSI at or below 35 will mean price and momentum are aligned to the sell side. Likewise, a close above this level with the RSI at or above 39.5 will mean it is aligned to the buyside. Upside moves that fail at or below USD 2,862 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- We remain technically bearish, but the 4-hour RSI now has a minor divergence whilst lower timeframe momentum indicators are warning we have the potential to exhaust soon. Potentially we could trade to around the USD 2,727 level (Based on lower timeframe Elliott wave analysis); however, we maintain our view that the futures are not considered a technical sell at these levels.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	23,290	R1	23,167		
S2	23,141	R2	23,433		RSI below 50
S3	22,987	R3	23,643		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is above 50 (52)
- Stochastic is overbought
- Price is above the daily pivot point USD 23,290
- Technically bearish yesterday, the upside move on the lower timeframe divergence meant that the 4-hour MA on the RSI was flat, supporting a momentum slowdown. We remained a cautious bear as the USD 23,433 resistance was starting to look vulnerable. The futures moved higher with price trading above the USD 23,433 resistance, meaning the technical although bearish now has more of a neutral bias. Price is above 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 23,290 with the RSI at or below 46.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 22,778 will support a near-term bull argument, below this level the futures will target the USD 22,335 fractal low.
- Bearish with a neutral bias, the MA on the RSI would suggest momentum is supported whilst the move higher is on the back of a positive divergence. We maintain our view that resistance levels are vulnerable. The current candle is correcting at this point, if we hold support and trade above today's high at USD 23,640, then the USD 24,000 fractal high is likely to be tested and broken.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,093	R1	2,098	Stochastic oversold	RSI below 50
S2	2,084	R2			
S3	2,076	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (45)
- Stochastic is oversold
- Price is above the daily pivot point USD 2,093
- On paper we were bullish with a neutral bias yesterday. The technical was in consolidation whilst the MA on the RSI was 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 warned that we have the potential to see a momentum slowdown and needed to be monitored, suggesting caution on downside moves. The futures have moved lower with the divergence failing, price is below all key moving averages with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 2,093 will mean price and momentum are aligned to the sell side; likewise, a close above this level with the RSI at or above 48.5 will mean it is aligned to the buy side. Upside moves that fail at or below USD 2,113 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 2,130 and USD 2,154 resistance levels.
- The futures remain technically bearish with the USD 2,076 support looking vulnerable. However, we are seeing warning signs on lower timeframe Elliott wave analysis that the futures will be back in divergence below USD 2,082, suggesting caution on downside breakouts, as the next move lower has the potential to be the last in this phase of the cycle.