

US/China

The People's Bank of China's Governor Yi Gang met with US Federal Reserve Chair Jerome Powell in Washington this week for their first one-on-one talk since 2020.

Yi and Powell discussed the economic and financial situation in the world's two largest economies during their meeting on Tuesday, according to a statement released Friday by the PBOC, which doesn't provide more detail. The talk was held during the World Bank and International Monetary Fund's Spring Meetings.

The last publicly known conversation between the pair took place on March 2, 2020, when Powell spoke for 17 minutes with Yi over the phone. That was one of a flurry of calls Powell made one day ahead of the Fed's emergency interest rate cut in an initial response to shield the US economy against the spreading coronavirus.

Before this week, Yi's last in-person meeting with Powell was in 2019, also in Washington on the sidelines of IMF and World Bank meetings.

For much of the past few years, China imposed strict border restrictions and quarantine requirements for international travelers to contain the spread of Covid, finally ending those curbs early this year. Yi and other Chinese officials attended international meetings mostly via video links during that period.

Yi met with US Treasury Secretary Janet Yellen last November on the sidelines of a Group of 20 summit in Indonesia. The two exchanged views on the economic outlooks for China and the US in that meeting, which lasted more than two hours. (Bloomberg).

Cu/Al

Copper and aluminum extended gains to head for a weekly advance, after economic data fueled expectations for less aggressive interest rate hikes from the Federal Reserve and continued expansion in Chinese demand.

Risk appetite returned on Friday as stocks rose after weaker US producer prices fueled expectations the Fed is nearing the end of its most aggressive rate-hike cycle in decades. The dollar also extended losses for a fourth day, making commodities cheaper to other currency holders.

Meanwhile, this week's weaker CPI data from China fueled hopes for more stimulus while a surge in new loans and an unexpected boost in exports underscored positive signs for the top metal-consuming economy. Still, the data added to indications that a seasonal demand pickup in the copper market is fading, with domestic fabricators cutting runs this month on slowing orders.

Copper gained 0.7% to \$9,119 a ton as of 10:06 a.m. in Shanghai, putting it on track for a weekly surge of about 4%. Aluminum was up 0.6% to be more than 2% higher for the week. Most other industrial metals also advanced, with nickel rising 1.2% and zinc climbing 1.1% on Friday. (Bloomberg)

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,016	R1	9,135	RSI above 50	Stochastic overbought
S2	8,962	R2	9,165		
S3	8,904	R3	9,195		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA Resistance band (Black EMA's)
- RSI is above 50 (62)
- Price is above the daily pivot point USD 9,016
- Stochastic is overbought
- Technically bearish but with a neutral bias yesterday, the MA on the RSI suggested that momentum was supported. We were approaching a consolidation area that formed in the second half of March, if the futures could trade above and hold above the USD 8,935 level, then the USD 9,092 fractal high had the potential to be tested and broken. We highlighted USD 8,935 as it was the most heavily traded area in the last 30 days, making it a natural area of resistance. The futures moved higher, held above the USD 9,035 level resulting in the USD 9,092 fractal resistance being tested and broken. Price is above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 9,016 with the RSI at or below 53 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 8,904 will support bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the futures and the RSI are making new highs, suggesting downside moves could potentially be countertrend at this point.

Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,384	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 (57)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,357
- We remain technically bearish; however, the upside move two days ago had been on the back of a divergence supported by a weakening USD suggesting that USD 2,343 resistance could come under pressure. If it did, then the futures would have a neutral bias. We maintain our view that the futures are not considered a technical sell at this point. The futures did move higher with price breaking fractal resistance, the intraday technical is now bullish. Price is above the EMA resistance band with the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 2,357 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 2,325 will support a bull argument, below this level the technical will have a neutral bias.
- The intraday technical is bullish with the MA on the RSI suggesting momentum is supported at this point. However, we do have a small rejection candle, warning we could see an intraday pullback in the near-term.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,827	R1	2,881	RSI above 50	Stochastic overbought
S2	2,809	R2	2,921		
S3	2,785	R3	2,989		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (57)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,822
- Having previously noted that the downside move had looked to be exhausting whilst momentum was looking supported, the futures although bearish were not considered a technical sell as resistance levels looked vulnerable. The futures have traded higher with price above the EMA resistance band supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,822 with the RSI at or below 44 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,785 will support a near-term bull argument, below this level we target the USD 2,734.5 fractal low.
- Technically bearish with a neutral bias, momentum at this point is supported; however, we have a significant resistance zone ahead that could be an area of interest for market sellers. Suggesting caution above USD 2,900.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	23,682	R1	24,025	RSI above 50	Stochastic overbought
S2	23,591	R2	24,305		
S3	23,552	R3	24,657		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (57)
- Stochastic is overbought
- Price is above the daily pivot point USD 23,591
- Bearish with a neutral bias yesterday, the MA on the RSI continued to suggest that momentum was supported. The upside move above USD 23,460 warned that the USD 24,000 fractal high was vulnerable. The futures continue to move higher with resistance levels now broken, the intraday technical is now bullish. Price is above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour below USD 23,519 with the RSI at or below 52.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 23,375 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI indicates momentum is supported at this point. One note of caution, the futures are now trading in the daily EMA resistance band, suggesting the futures are not a technical buy at these levels, as we could see a move lower in the near-term.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,139	R1	2,160	RSI above 50	Stochastic overbought
S2	2,133	R2			
S3	2,123	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (61)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,139
- Technically bullish yesterday, the futures had broken resistance with the MA on the RSI starting to turn higher, suggesting momentum was supporting the upside move, meaning the USD 2,154 fractal resistance was vulnerable. The futures have traded higher with the resistance now broken, the futures are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,139 with the RSI at or below 52 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,110 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI is supported, suggesting downside moves should be considered as countertrend at this point.