

China

With China's economic recovery well on track, top leaders will likely turn their policy focus now to boosting business confidence, increasing jobs and strengthening the property market without adding extra stimulus.

The April meeting of the Communist Party's Politburo, the top decision-making body headed by President Xi Jinping, typically focuses on the economy and sets the tone for policies in coming months. There isn't an exact date for the meeting, but it's likely to take place this week.

Economists are watching closely for signals around monetary and fiscal support now that growth is rebounding. Several major banks have raised their China growth forecasts for the year to close to 6% or higher, well above Beijing's target of around 5%, reducing the need for more stimulus. (Bloomberg).

Pb

Tight Battery Scrap Supply To Underpin Secondary Crude Lead Prices

The SMM weekly average price of lead-acid battery scrap rose 50 yuan/mt last week. The average price of e-bike battery scrap stood at 8,975 yuan/mt as of April 21, versus 8,450 yuan/mt for automotive battery scrap in white shell and 9,025 yuan/mt in black shell. Trades were scarce due to tight battery scrap supply. Against the backdrop of raw material shortages and high costs, smelters sold secondary crude lead at around 14,100 yuan/mt (excluding tax, ex-factory). Downstream enterprises restocked as needed at 14,170-14,250 yuan/mt on a delivery-to-factory basis.

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,675	R1	8,758	Stochastic oversold	RSI below 50
S2	8,665	R2	8,842		
S3	8,583	R3	8,878		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA Resistance band (Black EMA's)
- RSI is below 50 (37)
- Price is below the daily pivot point USD 8,758
- Stochastic is oversold
- Technically bearish yesterday, the failure in the Gartley pattern meant we had a near-term downside target at USD 8,675, the MA on the RSI continued to warn that momentum remained weak. The futures did move lower with price still 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 8,758 with the RSI at or above 42.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 8,926 will leave the futures vulnerable to further tests to the downside.
- We remain technically bearish with the USD 8,675 support still looking vulnerable, as momentum remains weak at this point. However, we should note that the daily 200-period EMA is at USD 8,700 which has the potential to act as an area of support. The Average is flat giving it less weight, but it was respected on the 05/04/23 suggesting market sellers should be a little cautious around this area.

Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,377	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 (46)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,381
- The downside move was considered deep yesterday, the technical although bullish had a neutral bias. The MA on the RSI indicated that buy-side momentum was weak, warning that the USD 2,353 support level was vulnerable. A close on the 4-hour candle above USD 2,402.5 would imply that momentum based on price was starting to strengthen. A cautious bull as support levels were looking like they could come under pressure. The futures traded to a low of USD 2,364 before finding some bid support into the close, however, price is now below the EMA support band with the futures coming under light pressure in the Asian day session. The RSI is below 50 with intraday price and momentum aligned to sell side.
- A close on the 4-hour candle above USD 2,381 with the RSI at or above 51.5 will mean price and momentum are aligned to the buy-side. Upside moves that fail at or below USD 2,428 will leave the futures vulnerable to further tests to the downside, above this level the futures will target the USD 2,426 fractal high.
- We noted yesterday that the futures were bullish but with a neutral bias with support level looking like they could come under pressure. When we look at the lower timeframe wave cycle, it does appear that the technical is bearish. The MA on the RSI continues to suggest that support levels are vulnerable, meaning we maintain our view that the USD 2,353 support could be tested.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,669	R1	2,687	Stochastic oversold	RSI below 50
S2	2,612	R2	2,745		
S3	2,541	R3	2,770		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (31)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,687
- Technically bearish yesterday, we were seeing warnings that we could be seeing a momentum slowdown on lower timeframe oscillators; however, the RSI was making new lows whilst the MA on the RSI suggested momentum remained weak on the 4-hour chart, implying upside moves had the potential to be countertrend. The futures continued to move lower with price basing around the USD 2,669 support this morning. Price is below all key moving averages with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,687 with the RSI at or above 36 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,804 will leave the futures are vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, downside moves below USD 2,664 have the potential to create a positive divergence with the RSI. Not a buy signal, it does warn that we have the potential to see a momentum slowdown below this level, suggesting caution on downside breakouts at this point. However, with the RSI recently making a new low, upside moves should be considered as countertrend. The MA on the RSI also suggests that momentum is weak, warning support levels should in theory hold, if tested in the near-term.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	23,564	R1	24,210	Stochastic oversold	RSI below 50	
S2	23,108	R2				24,710
S3	22,355	R3				24,947

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is above 50 (47)
- Stochastic is oversold
- Price is below the daily pivot point USD 24,469
- Technically bearish on the intraday, but bullish on the daily yesterday. The MA on the RSI continued to suggest that momentum was weak, supported by the RSI making new lows, implying upside moves have the potential to be countertrend, making USD 25,297 the key resistance to follow. Downside moves that held at or above USD 23,564 would support a bull argument on the daily technical, below this level the USD 23,108 support would vulnerable. A close on the 4-hour candle above USD 24,865 would imply that momentum based on price was starting to strengthen, warning the USD 25,297 resistance could come under pressure. We did see a move higher on the intraday, but the move failed to hold, price is now trading just below the EMA support 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 24,469 with the RSI at or above 51.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 25,268 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- There has been little change on the technical since yesterday, we remain bearish on the intraday with the MA on the RSI continuing to suggest that momentum remains weak at this point. A close on the 4-hour candle above USD 24,650 will imply that momentum based on price is starting to strengthen, warning the Fibonacci resistance zone could come under pressure.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,122	R1	2,141	Stochastic oversold	RSI below 50
S2	2,103	R2	2,171.5		
S3	2,082	R3	2,179.5		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (48)
- Stochastic is below 50
- Price is below the daily pivot point USD 2,141
- Technically bullish yesterday, an upside move above USD 2,179.5 would create a negative divergence with the RSI. Not a sell signal it did warn that we have the potential to see a momentum slowdown on a new high, suggesting caution on upside breakouts. We noted that the recent upside move looks to be lacking structure, suggesting it was not bullish impulse, warning support levels were now vulnerable. The futures failed to move higher with price coming under pressure in the morning session, before finding buyside support off the USD 2,122 level. The futures have moved a little lower in the Asian day session with price trading just below the EMA support band, the RSI is now below 50 with intraday price and momentum aligned to the sell side.
- A close on the 4-hour candle above USD 2,141 with the RSI at or above 54 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 2,122 will support a bull argument, below this level the technical will have a neutral bias.
- The recent upside move that started on the 17/04 does not seem to have the structure/shape to be bullish impulse, the MA on the RSI has moved a little lower, warning momentum is weakening. However, USD 2,122 is a key Fibonacci support whilst USD 2,117 is the most heavily traded area in the 30 days. This would suggest caution on the downside moves, as it is a dangerous area for fresh market shorts to enter due to the support zone; if we do trade below and hold below USD 2,117 then it will strengthen a bear argument. This technical is conflicting a little, suggesting it might be one to avoid in the near-term.