

China

Profits at industrial firms in China continued to plunge in the first three months of the year, as a pickup in factory production failed to offset a further decline in prices.

Industrial profits in the January-March period declined 21.4% from a year earlier, the National Bureau of Statistics said Thursday. The drop narrowed only slightly from a fall of 22.9% in the first two months of 2023.

Profits for the single month of March fell 19.2% from a year ago, according to official figures. (Bloomberg).

Cu

Copper fell with other metals ahead of US figures on unemployment and growth, with fresh concerns over American regional banks weighing on sentiment.

Copper dropped below \$8,500 a ton in London, its seventh decline in eight sessions. That comes as First Republic Bank faces potential curbs on borrowing from the Federal Reserve, highlighting continued stress in the US bank system.

Credit flows to the economy could tighten by twice as much as expected by the central bank, tipping the economy into recession, according to a Bloomberg survey of economists. Investors will look to data later Thursday on US jobless claims and first-quarter gross domestic product for the latest pointers on the economy's health. (Bloomberg)

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,431	R1	8,491	Stochastic oversold	RSI below 50
S2	8,370	R2			
S3	8,308	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA Resistance band (Black EMA's)
- RSI is below 50 (30)
- Price is below the daily pivot point USD 8,568
- Stochastic is oversold
- Technically bearish yesterday, the downside move was more than 161.8% the length of the previous wave whilst the RSI was making new low, suggesting the move was bearish impulse. This implied that upside moves should be considered as countertrend at this point. Having moved higher on the Asian open yesterday the futures corrected for the rest of the session with price trading to new lows this morning. Price is 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 8,568 with the RSI at or above 35.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 8,851 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the futures are now in divergence with the RSI, not a buy signal it is a warning that we have the potential to see a momentum lowdown and will need to be monitored; lower timeframe wave analysis does suggest we have the potential to trade as low as USD 8,308 within this phase of the cycle. However, yesterday we noted that upside moves should be considered as countertrend, the move higher that we witnessed was part of a wave extension, meaning we maintain our view that upside moves should be considered as countertrend at this point.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,306	R1 2,336	2,321.5	Stochastic oversold	RSI below 50
S2	2,290	R2 2,345			
S3	2,273	R3 2,359.5			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (38)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,336
- Technically bearish yesterday, the MA on the RSI implied that momentum remained weak, suggesting resistance levels should in theory hold if tested in the near-term. The RSI had made a new low whilst the intraday Elliott wave cycle suggested that upside moves should be considered as countertrend, making USD 2,364 the key resistance to follow. The futures traded to a high of USD 2,359.5 meaning our key resistance has held, this resulted in the futures trading to a new low this morning. Price is 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 2,336 with the RSI at or above 44 will mean price and momentum are aligned to the buy side. 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 futures will have a neutral bias. Only above USD 2,359.5 is the intraday technical bullish.
- Technically bearish, the new low this morning means that we now have a minor divergence in play with the RSI, not a buy signal it is warning that we have the potential to see a momentum slowdown. However, intraday Elliott wave analysis would suggest that we have a potential downside target at USD 2,273 for this phase of the cycle. We are bearish, but due to the divergence we are now cautious on this downside move.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,584.5	R1	2,623.5		RSI below 50
S2	2,541	R2			
S3	2,480	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (31)
- Stochastic is below 50
- Price is below the daily pivot point USD 2,635
- We remain bearish and in trend yesterday, the intraday Elliott wave analysis continued to suggest that upside moves should be considered as countertrend. The MA on the RSI was starting to flatten, warning sell side momentum was slowing down a little. A downside move below USD 2,584.5 had the potential to create a positive divergence with the RSI. As noted yesterday, the divergence is a warning that we could see a momentum slowdown, it is not a buy signal. Yesterday was a good example of a divergence failure. The futures moved higher but g978 failed to test the Fibonacci resistance zone, price is moving lower on the Asian open. The futures are below all key moving averages supported by the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 2,635 with the RSI at or below 29 will mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is aligned to the buy side. Upside moves that fail at or below USD 2,777 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, at this point we remain in a countertrend corrective Elliott wave 4, meaning upside moves should be considered as countertrend. Downside moves below USD 2,584.5 will confirm that we are on a bearish impulse wave 5, meaning we have a potential downside target as low as USD 2,457. However, a new low will create a positive divergence with the RSI, not a buy signal it does warn we have the potential to see a momentum slowdown and will need to be monitored.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	23,502	R1	23,600		RSI below 50
S2	23,100	R2			
S3	22,335	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is above 50 (42)
- Stochastic is oversold
- Price is below the daily pivot point USD 23,502
- Technically bearish and in trend yesterday, the MA on the RSI continued to suggest that momentum remained weak, the RSI had also made a new low, implying upside moves should be considered as countertrend. Intraday Elliott wave analysis supports this. The futures have moved higher with price trading at the base of the Fibonacci resistance zone, we remain 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 23,502 with the RSI at or above 45.5 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. Upside moves that fail at or below USD 24,136 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- We remain bearish with upside moves considered as countertrend at this point, making USD 2,4136 the key resistance level to follow. The MA on the RSI does suggest that momentum remains weak at this point, however, the MA has flattened a little on the move higher yesterday.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,106	R1	2,116.5		RSI below 50
S2	2,097	R2			
S3	2,082.5	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (45)
- Stochastic is below 50
- Price is above the daily pivot point USD 2,106
- Technically bullish but with a neutral bias yesterday, the MA on the RSI suggested that momentum remained weak. However, we had a bullish intraday rejection candle with price closing around the USD 2,117 level for the last 3 candles, suggesting the futures had found value. We maintained a neutral view on this technical until we see price rejecting or closing below and holding below the USD 2,117 level. We did see another move to the downside yesterday, but the futures produced a second bullish rejection candle, meaning the futures continue to trade around the 30-day value area of USD 2,117. Price is below the EMA resistance band (the averages have now crossed) with the RSI below 50, intraday price and momentum are now conflicting.
- A close on the 4-hour candle above USD 2,141 with the RSI at or above 47.5 will mean price and momentum are aligned to the buy side. Likewise, a close below this level with the RSI at or below 43 will mean it is aligned to the sell side. Upside moves that fail at or below USD 2,148 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 2,171.5 fractal resistance.
- Technically we remain bullish with a neutral bias, as the dominant bull wave is between the 11/04 and 14/04. Two intraday rejection candles with price opening above the daily pivot point is warning that there is buy side support in the market. A close on the 4-hour candle above USD 2,120 would suggest that resistance levels could be vulnerable. Likewise, downside moves below USD 2,093.5 will leave the USD 2,082.5 support vulnerable.

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