

China

The Caixin China General Services PMI declined to 56.4 in April 2023 from March's 28-month high of 57.8, pointing to the fourth straight month of expansion in the sector, after lifting COVID-19 restrictions although expansion slowed slightly, as new orders growth eased. Meanwhile, employment continued to rise, boosted by plans to increase capacity and greater new order volumes.

Employment growth slowed and backlogs continued to build, with the PMI Composite index falling from 54.5 to 53.6.

That said, the rate of job creation slipped to a modest pace that was the softest seen in the current three-month period of payroll growth, while backlogs of work continued to rise.

(Bloomberg).

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Copper trimmed a weekly loss as a lower dollar bolstered the outlook for commodities demand and top producer Chile increased its price forecast amid a small global deficit this year.

Copper is still heading for a third weekly decline, the worst run since February, pressured by mixed economic data from China and woes in the US banking system that have sparked fears of a recession.

The dollar fell for a fourth session to trade near the lowest level since the middle of April, making commodities less expensive for buyers in other currencies. Cochilco, the copper commission in Chile, lifted its price forecast for this year to an average of \$3.90 a pound from \$3.85 three months ago. Futures are currently trading around \$3.87 in New York. (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,455	R1	8,527		RSI below 50
S2	8,426	R2	8,674		
S3	8,412	R3	8,742		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA Resistance band (Black EMA's)
- RSI is below 50 (45)
- Price is above the daily pivot point USD 8,527
- Stochastic is below 50
- In theory, we were technically bearish yesterday with the upside moves looking like they should be countertrend, based on intraday Elliott wave analysis. In reality; the Fed hiked rates, with Powell hinting this could be the last hike in the current cycle, resulting in a weaker USD. We noted that the that the downside wave cycle could complete early on the back of this; However, we maintained that the upside move was still possibly countertrend, making USD 8,834 the key resistance to follow. Having opened with bid support the future corrected for most of the session before moving a little higher into the close. 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 8,527 with the RSI at or below 40 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 8,834 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- We remain bearish but in consolidation, below USD 8,426 will confirm that we are on a bearish impulse wave 5, with a potential downside target at USD 8,341. Upside moves should in theory be countertrend at this point. The MA on the RSI has flattened, but is acting as a support to the RSI at this point.

Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	2,281	2,292.5	Stochastic oversold	RSI below 50
S2	2,253			
S3	2,217			
R1	2,301			
R2	2,323			
R3	2,335			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (37)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,301
- Technically bullish but with a neutral bias yesterday due to the depth of the pullback. The move lower had produced a rejection candle on the daily chart the previous day, suggesting caution, whilst the MA on the RSI had flattened. A close on the 4-hour candle below USD 2,322.5 would warn that sell side pressure was increasing, warning the at the USD 2,292 fractal low could be tested and broken. From a buyside perspective, we needed to see the futures trade above the USD 2,363 resistance, and close on the 4-hour candle above USD 2,367.5. If we did, then market buyers would want to test USD 2,387 fractal high. Not a very clean technical, the deep pullback was a concern; especially as market buyers would need to work harder to achieve a positive close. We closed below the USD 2,322.5 level, resulting in the futures trading at a low of USD 2,284, the intraday technical is now bearish. 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 2,301 with the RSI at or above 46 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,351 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the MA on the RSI would suggest that momentum remains weak; however, the new low means that the futures are now in divergence with the RSI, suggesting caution on downside moves, as we now have the potential to see a momentum slowdown.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,626	R1	2,696		
S2	2,580	R2	2,730		RSI below 50
S3	2,542	R3	2,777		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (47)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,626
- Technically bearish yesterday, we noted that the futures had consolidated for the previous 6 sessions. However, intraday Elliott wave analysis continued to suggest that we had the potential to trade as low as USD 2,503. We also highlighted that a new low had the potential to create a positive divergence with the RSI. The futures continue to consolidate with price testing the base of 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 2,626 with the RSI at or below 41 will mean price and momentum are aligned to the sell 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, intraday Elliott wave analysis continues to suggest that upside moves should be considered as countertrend at this point. A close on the 4-hour candle above USD 2,663.5 will indicate that momentum based on price is starting to strengthen, suggesting the Fibonacci resistance zone could come under pressure.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	23,888	R1	24,200	Stochastic oversold	RSI below 50
S2	23,596	R2			
S3	23,100	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (49)
- Stochastic is oversold
- Price is above the daily pivot point USD 24,389
- The intraday remained technically bullish yesterday; however, we remained cautious on upside moves as the futures were trading in the daily resistance band with price below the 200-period EMA (USD 25,118). From a technical bias we maintained a neutral view due to the conflict. The futures failed to hold resulting in price moving lower. We are 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 24,389 with the RSI at or above 57 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 23,888 will support a bull argument, below this level the technical will have a neutral bias.
- We remain technical bullish but in a corrective phase. We now have two daily rejection candles whilst the MA on the intraday RSI is starting to weaken, suggesting support levels could come under pressure.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,116.5	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 (45)
- Stochastic is oversold
- Price is above the daily pivot point USD 2,113
- Technically bullish with a neutral bias yesterday, we had more of a neutral view as the MA on the RSI had started to flatten alongside the deep pullback, suggesting caution as there was a lack of bull impetus. The futures traded to a low of USD 2,099 before finding light buying support. Price is below the EMA support band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,113 with the RSI at or above 51.5 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 2,148 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 2,174 fractal high.
- We remain bullish with a neutral bias; The MA on the RSI would suggest that momentum is weak at this point. However, if we see a close on the 4-hour candle above USD 2,134.5 then it will warn that the USD 2,148 resistance level could be broken. Like yesterday, we are cautious on upside moves at this point.