

China

China's home price growth slowed in April, underscoring the challenges the market is facing following a brief recovery.

New-home prices in 70 cities, excluding state-subsidized housing, rose 0.32% last month from March, when they grew 0.44%, National Bureau of Statistics figures showed Wednesday. Price gains slowed to just 0.01% in the secondary market, after climbing 0.26% a month earlier. (Bloomberg).

Al

One of the world's biggest metals traders has built up a dominant position in one part of the London Metal Exchange aluminum market, creating a squeeze on exchange stocks and putting focus on the availability of non-Russian metal.

IXM, owned by China's CMOCC Group Ltd., has built up an unusually large position in the LME's aluminum contract for delivery tomorrow, which as the third Wednesday of the month is a key focal point for liquidity, according to people familiar with the matter who asked not to be identified discussing private information.

The trade has thrown a spotlight on a battle for aluminum inventories among top traders including IXM and Trafigura Group that looks set to drain non-Russian metal from the LME and leave the exchange's contract much more dependent on Russian aluminum. The position has become a hot topic among traders in the aluminum market, where the outlook is dominated by weak demand on the one hand and production problems on the other.

Every ton of new demand has to be met with a ton of new supply given inventories are no longer available

A significant increase in committed projects is needed in the second half of this decade, Train said in Hong Kong

The zinc market will be relatively balanced in the next couple of years if existing projects are delivered on time

NOTE: Zinc stockpiles in LME-tracked warehouses hit 15,600 tons in February, the lowest level since 1975 (Bloomberg)

Copper Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	8,113	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 (33)
- Price is below the daily pivot point USD 8,169
- Stochastic is oversold
- Technically bearish yesterday, the futures were starting to roll over to the sell side with price trading below the daily pivot point having rejected the EMA resistance band, warning that the USD 8,136.50 fractal low was starting to look vulnerable. We maintained our view that upside moves look like they could be counter-trend at this point. The futures have traded to a new low with the USD 8,136 target being broken. 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 8,169 with the RSI at or above 39 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 8,256 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 slowdown and will need to be monitored. Above USD 8,346.5 the technical is bullish. A cautious bear.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,258	R1	2,264.5	Stochastic overbought	RSI below 50
S2	2,228	R2			
S3	2,200	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is below 50 (47)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,258
- Technically bearish yesterday, the futures were trading at the base of the EMA resistance band with the RSI below 50. However, the MA on the RSI had started to turn higher, implying momentum was showing signs of support. Intraday Elliott wave analysis continued to suggest that upside moves should be considered as countertrend, making USD 2,292 the key resistance to follow. If our wave analysis was correct, it suggested caution on upside moves. Sideways action with price now trading in the EMA resistance band, the RSI remains below 50 with price and momentum aligned to the buyside.
- A close on the 4-hour candle below USD 2,258 with the RSI at or below 43 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,292 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Unchanged technically, the MA on the RSI indicates that momentum remains supported at this point; however, intraday Elliott wave analysis suggests upside moves should be considered as countertrend, implying caution on upside moves.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,449	R1	2,510	Stochastic oversold	RSI below 50
S2	2,379	R2	2,521		
S3	2,291	R3	2,532		

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 2,510
- Technically bearish yesterday, we were yet to trade below the USD 2,517.5 fractal support. Intraday Elliott wave analysis suggested we had a downside target zone between USD 2,503 – USD 2,407. However, a new low would create a positive divergence with the RSI on a downside breakout, suggesting caution. The futures have now broken fractal support with price trading to a low of USD 2,483. We remain 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 2,510 with the RSI at or above 37.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,548 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- The new low means 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 slowdown and will need to be monitored. A cautious bear at this point, upside moves above USD 2,582.5 will mean the intraday technical is bullish.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	20,808	R1	21,040	Stochastic oversold	RSI below 50
S2	20,329	R2			
S3	19,720	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (32)
- Stochastic is oversold
- Price is below the daily pivot point USD 21,298
- The move to a new low on the Asian open yesterday meant that the futures were in divergence with the RSI, not a buy signal it warned that we had the potential to see a momentum slowdown. However, intraday Elliott wave analysis suggested that we remained on an extended wave 3, meaning we maintained our view that upside moves should be considered as countertrend. The futures continued to move lower with the 4-hour divergence failing. 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 21,298 with the RSI at or above 37.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 23,463 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 remain on a wave 5 of an extended Elliott wave 3, meaning we maintain our view that upside moves should be considered as countertrend at this point. Despite the divergence failure, we remain cautious on downside moves as the RSI at 32 is nearing oversold levels.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,032	R1	2,045.5	Stochastic oversold	RSI below 50
S2	2,023	R2			
S3	2,011	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (33)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,056
- Technically bearish yesterday, the new low meant that we had a positive divergence on the 1-hour technical, not a buy signal it was a warning that we have the potential to see a momentum slowdown. However, intraday Elliott wave analysis continued to suggest that upside moves should be considered as countertrend, meaning we were a cautious bear due to the divergence. The futures continued to move lower with price 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 2,056 with the RSI at or above 39 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,110 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the lower timeframe divergence has failed. However, the futures are on a wave 5 of the corrective wave 3, suggesting we should remain cautious on the downside move. We maintain our view that upside moves should be considered as countertrend.