

China

China's economic growth will get a bigger boost if the central bank cuts the reserve requirement ratio for banks rather than interest rates, according to research from Bloomberg Economics.

The growth rate could be lifted by 0.3 percentage point this year if the central bank reduces the reserve ratio — or the amount of cash that lenders must keep in reserve — by 25 basis points in the second quarter, Bloomberg Economics said in a report Thursday. A cut of that magnitude would add 500 billion yuan (\$71 billion) worth of liquidity to banks, which they can use to increase loans. (Bloomberg).

Cu

Billionaire mining investor Robert Friedland said the tumble in copper prices is a temporary setback and the metal that's essential for the decarbonization of the global economy continues to face a supply crisis.

The note of confidence from Friedland comes after China's economic activity disappointed expectations since strict pandemic restrictions were removed late last year, weighing on metals demand. Weak domestic demand saw copper fall below \$8,000 a ton for the first time in six months on Wednesday, adding to broader gloom about the global economy. (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	7,888	R1	7,950	Stochastic oversold	RSI below 50
S2	7,765	R2	7,913		
S3	7,609	R3	8,097		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA Resistance band (Black EMA's)
- RSI is below 50 (31)
- Price is below the daily pivot point USD 7,950
- Stochastic is oversold
- Technically bearish yesterday, the futures had achieved our downside target with the RSI in divergence. Not a buy signal it did warn that we have the potential to see a momentum slowdown and needed to be monitored. Countering this, the MA on the RSI suggested that near-term momentum remained weak. A cautious bear due to the divergence. The futures continued to move lower with the divergence on the 4-hour technical 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 7,950 with the RSI at or above 36 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 8,170 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, we still have a lower timeframe divergence in play that needs to be monitored, suggesting caution. However, a lower timeframe Elliott wave cycle (44 min) is warning that intraday upside moves still have the potential to be countertrend in the near-term.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,176	R1	2,194	Stochastic oversold	RSI below 50
S2	2,139	R2			
S3	2,107	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (35)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,210
- The downside move below USD 2,238 yesterday warned that the USD 2,202 support could come under pressure, intraday Elliott wave analysis remained bearish and suggested that we had a potential downside target at USD 2,153 for this phase of the cycle. However, a new low would create a positive divergence with the RSI, not a buy signal it needed to be monitored, as it warned that we could potentially see a momentum slowdown. The futures have moved 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 2,210 with the RSI at or above 41.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,270 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, lower timeframe intraday Elliott wave analysis would suggest that we have a potential downside target zone between USD 2,176 – USD 2,160. However, we are in divergence, the minimum requirement for completion on this phase of the cycle has been met. From a technical perspective, the futures are not considered a technical sell.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,273	R1	2,318	Stochastic oversold	RSI below 50
S2	2,221	R2	2,385		
S3	2,195	R3	2,445		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (23)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,318
- Technically bearish, the downside move in the futures had resulted in the RSI is making new lows, meaning the intraday Elliott wave cycle was seeing wave extension. Due to the divergence failure, upside moves were considered as countertrend, making USD 2,445 the key resistance to follow. The futures have continued to move lower with price below all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,318 with the RSI at or above 29.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,426 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 2,515.5 is the technical bullish.
- Technically we remain unchanged. We are bearish, the Elliott wave cycle is suggesting upside moves should still be considered as countertrend, making USD 2,426 the key resistance to follow.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	20,892	R1	21,400	Stochastic oversold	RSI below 50	
S2	19,910	R2				22,775
S3	19,315	R3				23,400

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is below 50 (49)
- Stochastic is oversold
- Price is above the daily pivot point USD 20,892
- Technically bearish yesterday, the futures were in divergence with the RSI, not a buy signal it was a warning that we had the potential to see a momentum slowdown. However, Elliott wave analysis, using the William's method suggested we had the potential to trade as low as USD 18,179 for this phase of the cycle. Limited price action yesterday with the futures moving higher on the back of the divergence this morning. Price is between the EMA resistance band with the RSI near-neutral at 49, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 20,892 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 23,400 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish with a potential downside target as low as USD 18,179. The futures remain in divergence with the RSI, meaning we are a cautious bear.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,035	R1	2,041	Stochastic oversold	RSI below 50
S2	2,029	R2			
S3	1,989	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is at 50 (38)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,056
- Unchanged on the technical yesterday, we remained bearish with wave analysis suggesting upside moves should be considered as countertrend. However, we were cautious based on the second wave higher (as highlighted previously), leaving us with a more neutral view. The Wave cycle looks to have been correct with price moving lower yesterday. The futures are 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 46.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,107 will leave the futures vulnerable to further testes to the downside, above this level the technical will have a neutral bias.
- The USD 2,035 fractal low is now vulnerable, with intraday Elliott wave analysis suggesting we have a potential downside target at USD 2,013. However, a new low will create a positive divergence with the RSI, warning we have the potential to see a momentum slowdown. This will need to be monitored.