

China

The strength of US dollar is unsustainable as Fed hiking cycle is nearing an end, Pan Gongsheng, head of State Administration of Foreign Exchange, says at Lujiazui Forum in Shanghai.

The overall operation of the Chinese economy remains stable and upward, while some market institutions predict that the US economy may face a mild recession, according to a transcript of Pan's speech posted on SAFE's website

As the Federal Reserve's interest rate hike cycle approaches its end, it is difficult for the US dollar to sustain its strength, and the spillover impact is expected to weaken:

Overall, China's foreign exchange market is expected to maintain a relatively stable operation (Bloomberg).

Cu

Asking Dr. Copper for a diagnosis of China's economy makes for bleak reading.

New York copper futures have fallen 14% from a January high amid a flagging demand recovery in the world's largest consumer of the metal. An options skew in favor of puts and rising short futures positions suggest a rising risk of further declines. China, capital expenditure and interest rates are among top mentions in commentary about the metal, often dubbed Dr. Copper for its role as a barometer of the global economy (Bloomberg).

Al

European Aluminium Association Director General Paul Voss says he thinks sanctions against Russian aluminum imports are still a possibility.

Comments come at Harbor Aluminum Summit in Chicago

NOTE: Europe, the US and Mexico haven't imposed sanctions on imports of metal from Russia

NOTE: The US imposed a 200% duty on all imports of Russian-made aluminum

Voss says European imports of Russian aluminum have stabilized at 10% of the region's imports of the metal

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,253	R1	8,271	RSI above 50	
S2	8,222	R2			
S3	8,169	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (51)
- Price is below the daily pivot point USD 8,312
- Stochastic is below 50
- Technically unchanged yesterday as the futures needed to trade above the USD 8,381 fractal high to confirm we were on a bullish Elliott wave 5. We had a potential upside target at USD 8,486; however, a new high would create a negative divergence with the RSI, not a sell signal it would warn that we had the potential to see a momentum slowdown. The futures traded to a high of USD 8,418, resulting in divergence, price has since entered a corrective phase. The futures are above the EMA support band with the RSI above 50, intraday price and momentum are aligned the to the sell side.
- A close on the 4-hour candle above USD 8,312 with the RSI at or above 58.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 8,253 will support a bull argument, below this level the technical will have a neutral bias. Only below USD 8,169 is the technical bearish.
- Technically bullish but in a corrective phase, the futures remain above key support but have moved lower on the back of a negative divergence, suggesting caution on upside moves at this point.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,197	R1	2,223	Stochastic oversold	RSI below 50
S2	2,184	R2			
S3	2,161	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (46)
- Stochastic is oversold
- Price is above the daily pivot point USD 2,218
- We remained bullish with a neutral bias yesterday with our intraday Elliott wave analysis continuing to suggest that the downside cycle had potentially completed. For this reason, we maintained a cautious view on downside moves. If we did trade below USD 2,190 it would suggest there is potentially a larger bear cycle in play (I.E some form of 5th wave extension); However, based on the current technical, we could not make this call. The futures have moved USD 1.50 since the last report. We remain below the EMA resistance band with the RSI below 50, intraday price and momentum continue to conflict.
- A close on the 4-hour candle above USD 2,218 with the RSI at or above 46.5 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 2,277 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 2,314.5 fractal high.
- Technically unchanged, we remain cautious on downside moves at this point as the Elliott wave cycle has potentially completed.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,372	R1	2,378	RSI above 50	Stochastic overbought
S2	2,258.5	R2			
S3	2,234.5	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (5)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,372
- Technically bearish yesterday, the futures had confirmed that we were on a higher timeframe Elliott wave 4 and not a lower timeframe extended wave 3. Upside moves were still considered as countertrend, making USD 2,413 the key resistance to follow, this also meant we remain cautious on upside moves. The futures continue to move higher with price now above the EMA resistance band supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,372 with the RSI at or below 50.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,413 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- The Elliott wave cycle remains bearish, but the futures continue to move higher with the MA on the RSI suggesting momentum is supported at this point. However, above USD 2,407.5 we have the potential to create a negative divergence on the 1-hour candle. Not a buy signal it is a warning that we could see a momentum slowdown on a new high.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	20,650	R1	21,310	RSI above 50	
S2	20,310	R2	21,840		
S3	19,910	R3	22,313		

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is at 50 (50)
- Stochastic is above 50
- Price is below the daily pivot point USD 21,310
- Technically neutral due to the futures being in consolidation yesterday, we still needed to see the futures trade above USD 21,840 for confirmation that this phase of the Elliott wave cycle has completed. The futures did trade higher but failed to test the key resistance level, resulting in a small downside move this morning. Price is between the EMA resistance band with the RSI neutral at 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 21,310 with the RSI at or below 48 will mean price and momentum are aligned to the sell side. Likewise, a close above this level will mean it is aligned to the buyside. Upside moves above USD 21,840 will mean the technical is bullish.
- Like yesterday the technical is neutral due to the futures being in consolidation, we still need to see the futures trade above USD 21,840 for confirmation that this phase of the Elliott wave cycle has completed.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,017	R1	2,040		RSI below 50
S2	1,989	R2	2,057	2,028	
S3	1,976	R3	2,072		

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 below the daily pivot point USD 2,040
- Technically bearish yesterday the MA on the RSI was starting to flatten a little, warning buyside momentum was slowing whilst the RSI was moving below 50. We maintained our view, based on our intraday Elliott wave analysis that upside moves should be considered as countertrend. The futures have started to reject the EMA resistance band with a small move lower this morning. The RSI is below 50 with price and momentum aligned to the sell side.
- A close on the 4-hour candle above USD 2,040 with the RSI at or above 51 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,057 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- The futures look like they are starting to roll over to the downside. Based on our intraday Elliott wave analysis remain cautious on upside moves, as the cycle would suggest that support levels remain vulnerable.