

China

Chinese banks kept a key interest rate that guides mortgages on hold and made a smaller-than-expected cut to another rate, surprise moves that reflect Beijing's difficult choice between boosting confidence and safeguarding the banking system's stability.

The five-year loan prime rate was left at 4.2% on Monday, according to data from the People's Bank of China. Most economists had predicted the rate to be cut by 15 basis points following a similar reduction last week to a key central bank policy loan rate. That was seen as precursor for a cut to the 5-year LPR.

The one-year LPR was lowered by 10 basis points to 3.45% from 3.55%, a smaller cut than most economists predicted. (Bloomberg).

Al

Citigroup Inc. has bought about \$160 million of Russian aluminum from the London Metal Exchange, something many banks have refused to touch since the invasion of Ukraine.

The US bank was behind requests to deliver about 75,000 tons of aluminum out of warehouses in Gwangyang, South Korea, that were reported by the LME on Friday, according to people familiar with the matter, who asked not to be identified discussing a private matter. The metal was originally produced by Russia's United Co. Rusal International PJSC, they said

There are no blanket sanctions that outlaw trading in Russian aluminum, but it has nonetheless become a politically charged subject in the metals industry following Russia's invasion of Ukraine last year. The US in February announced a 200% tariff on imports of Russian aluminum, saying the Russian aluminum industry had "played a major role in supplying Russia with weapons and ammunition used in the war"

Some buyers and traders of aluminum, which is used across the construction, packaging and transportation industries, have sought to avoid supplies from Russia, either on ethical grounds or because it has become much harder to organize logistics and financing. And many banks have refused to trade or finance Russian metals since the war began (Bloomberg).

Copper Morning Technical (4-hour)



| | Support | Resistance | Current Price | Bull | Bear |
|----|---------|------------|---------------|------|--------------|
| S1 | 8,254 | R1 | 8,307 | | RSI below 50 |
| S2 | 8,132 | R2 | 8,366 | | |
| S3 | 8,034 | R3 | 8,413 | | |

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is below 50 (48)
- Price is above the daily pivot point USD 8,254
- Stochastic is overbought
- Technically bearish on Friday, the futures were testing the resistance band with the RSI below 50, whilst the stochastic was at 69, nearing overbought territory. Momentum warned that we had the potential to move lower; however, with the futures moving higher on the back of a positive divergence having achieved our downside target, we maintained our view that the futures are not considered a technical. The downside move failed to hold with the futures trading back in the EMA resistance band this morning. The RSI is below 50 with price and momentum aligned to the buyside.
- A close on the 4-hour candle below USD 8,254 with the RSI at or below 41.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below 8,366 will leave the futures vulnerable to further tests to the downside.
- We remain technically bearish with price below key resistance levels, the MA on the RSI is suggesting momentum is supported, implying resistance levels are vulnerable. For this reason, we remain cautious on downside moves, as the intraday Elliott wave cycle is warning the this phase of the cycle has potentially completed.

Aluminium Morning Technical (4-hour)



| | Support | Resistance | Current Price | Bull | Bear |
|----|---------|------------|---------------|------|--------------|
| S1 | 2,125 | R1 | 2,164 | | |
| S2 | 2,106 | R2 | 2,175 | | RSI below 50 |
| S3 | 2,087 | R3 | 2,189 | | |

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA Resistance band (Black EMA's)
- RSI is below 50 (44)
- Stochastic is oversold
- Price is on the daily pivot point USD 2,144
- Technically bearish last week, the rejection of the key resistance suggested that the USD 2,130 low was vulnerable. Intraday Elliott wave analysis continued to suggest that upside moves should be considered as countertrend, meaning we had a potential downside target at USD 2,087; however, a new low would create a positive divergence with RSI, suggesting caution on downside breakouts. We noted that once we had made a new low upside moves would no longer be considered as countertrend. The futures have moved sideways with price remaining below the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the buyside, as the previous candle closed above the daily pivot point.
- A close on the 4-hour candle below USD 2,144 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 2,189 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Note: this level has previously been rejected.
- We remain technically bearish with intraday Elliott wave analysis continuing to suggest that upside moves should be considered as countertrend. We maintain our view that the USD 2,130 low is vulnerable with a potential downside target at USD 2,087. A new low will create a positive divergence with the RSI whilst the MA on the RSI suggests momentum is showing signs of support, implying caution on downside breakouts on a new low.

Zinc Morning Technical (4-hour)



| | Support | Resistance | Current Price | Bull | Bear |
|----|---------|------------|---------------|------|--------------|
| S1 | 2,312 | R1 | 2,351 | | RSI below 50 |
| S2 | 2,265.5 | R2 | 2,378 | | |
| S3 | 2,246 | R3 | 2,414 | | |

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (42)
- Stochastic is below 50
- Price is above the daily pivot point USD 2,300
- Technically bearish last week, we maintained our view that upside moves should be considered as countertrend. The rejection of the resistance zone warned that support levels were vulnerable; however, the MA on the RSI was starting to turn higher, meaning sell side momentum was slowing down. The upside move looked like a countertrend wave 4, with confirmation that we are in a wave 5 will only coming on a new low. The downside move has failed to hold at this point with price finding light bid support this morning. The futures remain 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 2,300 with the RSI at or below 35 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,414 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 in a corrective wave 4, meaning upside moves are still considered as countertrend at this point. The MA on the RSI would suggest momentum is still supported, leaving resistance levels vulnerable in the near-term. A new low has the potential to create a positive divergence with the RSI, implying caution on downside breakouts.

Nickel Morning Technical (4-hour)



| Support | Resistance | Current Price | Bull | Bear |
|---------|------------|---------------|------|--------------|
| S1 | R1 | 20,170 | | RSI below 50 |
| S2 | R2 | | | |
| S3 | R3 | | | |

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (45)
- Stochastic is above 50
- Price is below the pivot point USD 20,208
- Technically we remained bearish on Friday; however, the futures were moving higher on a positive divergence, whilst the MA on the RSI suggested that momentum was turning to the buyside, warning resistance levels remained vulnerable. We maintained our view that the futures were not considered a technical sell. The futures rejected the EMA resistance band resulting in a small move lower, the RSI is back below 50 whilst intraday price and momentum is still aligned to the buyside, as the previous candle closed above the daily pivot point.
- A close on the 4-hour candle below 20,208 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 20,607 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish with price below key resistance. We remain cautious on downside moves at this point due to the futures moving higher on the back of a positive divergence, meaning the futures are not considered a technical sell at these levels.

Lead Morning Technical (4-hour)



| Support | Resistance | Current Price | Bull | Bear |
|---------|------------|---------------|---------|---------------------------------------|
| S1 | 2,131 | R1 | 2,149.5 | RSI above 50 Stochastic overbought |
| S2 | 2,124 | R2 | 2,159 | |
| S3 | 2,114 | R3 | 2,168 | |

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (55)
- Stochastic is overbought
- Price is on the daily pivot point USD 2,143.5
- We remained technically bearish but with a neutral bias on Friday. The futures were rolling over to the downside, but the MA on the RSI warned that momentum was supported, making USD 2,110 the key level to follow. Due to the strength of the upside move on the back of the divergence, we remained cautious on downside moves. The corrective move lower failed to hold resulting in the futures trading higher, the intraday technical is now bullish. Price is above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,143.5 with the RSI at or below 51.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,114 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish the MA on the RSI would suggest that momentum is supported, whilst the RSI is making new highs, suggesting caution on downside moves at this point.