

## Cu

opper fell along with most industrial metals, as rising inventories in China pointed to signs that a significant pick-up in demand following the Lunar New Year holiday is yet to materialize.

Inventories have spiked in warehouses monitored by Shanghai Futures Exchange, after consumption slowed during the week-long holiday earlier this month. In another sign of a slow recovery in demand, local refined copper has been trading at a discount to the futures benchmark.

Market resistance to price rises for copper is increasing as investors await for a spot demand response due to government stimulus, Guangzhou Futures Co. said in a note. Rising inventories have helped curb premiums for spot prices, it added. (Bloomberg).

## Ni

Australia's richest person, Andrew Forrest, has called on the London Metal Exchange to differentiate between "dirty" and "clean" nickel, after his privately-held metals business announced it would be forced to shut mines.

The LME should classify nickel based on its carbon emissions so customers are "able to make a choice" on the sustainability of their products, the mining tycoon told reporters in Canberra on Monday. Some companies are using batteries from cheap nickel mined in Indonesia, known for their higher emissions footprint and questionable environmental standards, Forrest added.

"You want the choice to buy clean nickel if you can," Forrest said. "So the London Metal Exchange must differentiate between dirty and clean. They're two different products, they have two vastly different impacts."

Indonesian nickel has flooded the market over the past year, causing prices to plummet, and now accounts for more than half of global supply. That's led to the closure of higher-cost Australian operations, with Forrest's Wyloo Metals Ltd. announcing last month it would shut down its Western Australian mines. The billionaire made the bulk of his fortune after founding iron ore miner Fortescue Ltd. (Bloomberg).

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,447	R1	8,544	RSI above 50	
S2	8,398	R2			
S3	8,331	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (58)
- Price is above the daily pivot point USD 8,553
- Stochastic is oversold
- Technically bullish on Friday, the futures remained in divergence on the lower timeframe with price and momentum aligned to the sell side, intraday Elliott wave analysis continued to suggest that downside moves could be countertrend. Due to the divergence, we remained cautious on upside moves at these levels, making USD 8,331 the key support to follow. A move below this level would warn that the probability of the futures trading to a new low has started to decrease. The futures have now entered a corrective phase with price currently above the EMA support band with the RSI above 50, intraday price and momentum aligned to the sell side.
- A close on the 4-hour candle above USD 8,553 with the RSI at or above 66 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 8,331 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the futures look to be in an Elliott wave 4, implying the current move lower looks to be countertrend, making USD 8,331 the key support to follow. Below this level the probability of the futures trading to a new high will start to decrease. A close below USD 8,524 on the daily chart (weekly pivot), will warn that USD 8,447 – USD 8,398 Fibonacci support zone could come under pressure in the near-term.

# Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,175	R1	2,187	Stochastic oversold	RSI below 50
S2	2,146	R2			
S3	2,117	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (42)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,190
- Technically bullish but with a neutral bias on the last report, we noted that the probability of the futures trading to a new high had started to decrease. The downside move suggested that the bearish Elliott wave cycle was back in play. However, if we did close above the USD 2,207 daily pivot then we could see an intraday move higher looking to test the weekly pivot at USD 2,223. The futures have traded below the USD 2,180 fractal low, meaning the intraday technical is back in bearish territory. We are 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 2,190 with the RSI at or above 47.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,236 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, it looks like the higher timeframe Elliott wave cycle is back in play, warning we have the potential to test the USD 2,152 fractal low for this phase of the cycle. However, after last week's move higher on the back of US sanctions, it does mean that the lower timeframe Elliott wave cycle is a little unclear at this point (it's a total mess), as the futures are in divergence with the RSI. This is not a buy signal, but it is a warning that we could see a momentum slowdown, suggesting caution on moves lower. This technical is conflicting, meaning we have a more neutral view.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,398	R1	2,419	RSI above 50	
S2	2,360	R2	2,441		
S3	2,325	R3	2,494		

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (56)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,403
- Unchanged on the technical on Friday, we were bearish and maintained a cautious view on upside moves due to the negative divergence in play, the MA on the RSI was also flat, warning we were seeing a momentum slowdown. We noted a concern previously regarding the 5-wave pattern higher, making USD 2,325 the key support to follow, if broken, it would suggest that the longer-term bearish Elliott wave cycle remained in play. The futures remain supported but are below the USD 2,419 fractal high. We are above the EMA resistance band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,403 with the RSI at or below 52 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,494 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Downside moves that hold at or above USD 2,325 will support a near-term bull argument, below this level the USD 2,278 fractal low will start to look vulnerable.
- Unchanged on the technical again today, we remain cautious on upside moves, as above USD 2,419, as the futures will be back in divergence with the RSI. Not a sell signal, it is a warning that we could see a momentum slowdown. The MA on the RSI remains flat as does the EMA resistance band, implying a lack of directional bias. If we close on the daily chart below USD 2,398 (weekly pivot level), it will warn that momentum based on price is starting to weaken, meaning support levels could come under pressure.

# Nickel Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	17,064	R1	17,455	17,180	RSI above 50	Stochastic overbought
S2	16,899	R2	17,536			
S3	16,675	R3	17,694			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (61)
- Stochastic is overbought
- Price is below the daily pivot point USD 17,455
- Technically bullish on Friday, the futures had a strong move above the EMA resistance band with the intraday RSI making new highs, suggesting downside moves look like they would be countertrend. The MA on the RSI implied that momentum was supported, making USD 16,675 the key level to follow. If broken, then the probability of the futures trading to a new high would start to decrease. The futures have entered a corrective phase, but price remains above the EMA support band, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 17,455 with the RSI at or above 72.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or below USD 16,675 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish with price now in a corrective phase. Based on the RSI making a new high last week we maintain our view that the move lower looks like it could be against the trend, making USD 16,675 the key support to follow. If broken, then the probability of the futures trading to a new high will start to decrease. The weekly pivot is at USD 17,101, if we close below this level on the daily chart, it will warn that Fibonacci support levels could come under pressure in the near-term.

# Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,085	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (55)
- Stochastic is overbought
- Price is below the daily pivot point USD 2,091
- Technically bearish on Friday with the longer-term Elliott wave cycle suggesting that upside moves looked to be countertrend. The MA on the RSI continues to suggest that momentum is supported; however, upside moves above USD 2,091.5 will create a negative divergence with the RSI on the 1-hour chart. Not a sell signal, it warned that we had the potential to see a momentum slowdown, suggesting caution above this level. The futures traded to a high of USD 2,101 before entering a corrective phase. We are above the EMA support band (the averages look to be crossing) whilst the RSI is above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,091 with the RSI at or above 60 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 2,116 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Likewise, downside moves that hold at or above USD 2,054 will support a near-term bull argument, if broken the USD 2,031 support will start to look vulnerable.
- Technically bearish, the futures are moving lower on a lower timeframe negative divergence with the RSI, warning support levels could come under pressure. For this reason, we remain cautious on upside moves at this point.