

## China

Caixin Media and IHS Markit release China's February manufacturing purchasing managers' index.

Index rises to 50.9 from 50.8 in Jan.; Year ago 51.6

Highest reading since Aug. 2023

Fourth consecutive month of expansion

Output rises to 52.5 vs 52.2 in Jan.

Highest reading since May 2023

Fourth consecutive month of expansion

New orders rise vs prior month

Highest reading since Dec. 2023

NOTE: Reading above 50 signals expansion, less than 50 a contraction (Bloomberg).

## Al

Aluminum retreated from the highest close in two weeks as inventories in China, the top supplier, rose, while the country's factory activity continued to shrink.

Stockpiles of aluminum ingots increased to the highest level since May, according to researcher Shanghai Metals Market, signaling that Chinese consumption remains muted after the Lunar New Year holiday.

An official gauge on Friday showed the country's factory activity shrank for a fifth straight month in February, suggesting weak demand remains an obstacle for the economy.

"Chinese aluminum demand is notably weaker than the level prior to the LNY break," Jinrui Futures Co. said in a note.

Aluminum has traded in a relatively narrow range in recent months as investors weigh slower Chinese growth against signs the US rate cycle is close to peaking. Demand in China, also the world's top consumer, will slow to 1.7% this year from 7.6% in 2023, as the demand boom from green energy fails to offset a drop from construction, state-backed researcher Beijing Antaike Information Development Co. said earlier this week.

Aluminum fell 0.7% to \$2,212.50 a ton on the London Metal Exchange as of 8:02 a.m. local time, trimming its gain for the week to 1.5%. Prices on Thursday closed at the highest level since Feb. 14.

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,447	R1	8,478	RSI above 50	
S2	8,398	R2			
S3	8,331	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is on the EMA support band (Black EMA's)
- The RSI above 50 (51)
- Price is below the daily pivot point USD 8,482
- Stochastic is above 50
- Technically bullish yesterday, the MA on the RSI was flat, implying momentum was turning neutral. Elliott wave analysis continued to suggest that we were vulnerable to another move higher, implying caution on downside moves. Price and momentum were aligned to the buyside, if we closed above the weekly pivot level, USD 8,524, then we could see resistance levels come under pressure. The futures traded up to USD 8,520 but failed to hold, price is now back at yesterday morning's values. We are on the EMA support band with the RSI near neutral at 51, intraday price and momentum are aligned to the buyside, as the previous candle closed above the daily pivot level.
- A close on the 4-hour candle below USD 8,482 with the RSI at or below 48 will mean price and momentum are aligned to the sell 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 remain in a corrective phase with price now consolidating. Intraday Elliott wave analysis continues to suggest that downside moves should be considered as countertrend, making USD 8,331 the key support to follow. A close below this level will mean that the probability of the futures trading to a new high has started to decrease. The MA on the RSI is flat, as is the EMA support band, implying a lack of directional bias in the near-term.

# Aluminium Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	2,113	R1	2,236	2,218	RSI above 50	Stochastic overbought
S2	2,209	R2	2,269			
S3	2,175	R3	2,278			

**Synopsis - Intraday**

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (55)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,213
- The futures held the USD 2,175 support previously resulting in price moving higher. The MA on the RSI indicated that momentum was supported with price now approaching the weekly pivot level at USD 2,209. A close above this level on the daily chart would warn that the USD 2,236 resistance could come under pressure, if broken, then the probability of the futures trading to a new low would start to decrease. We remained cautious on downside moves below USD 2,175 due to the divergence risk. The futures have moved higher with price closing above the USD 2,209 level. We have seen a move lower in the Asian day session; however, price is 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 2,213 with the RSI at or below 47.5 will mean price and momentum are aligned to the sell side. 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, the close above the USD 2,209 level on the daily chart is warning that the USD 2,236 resistance is now vulnerable, a move above this level will imply that the probability of the index trading to a new low has started to decrease. The MA on the RSI is also implying that momentum is supported at this point, suggesting caution on downside moves.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,422	R1	2,441	RSI above 50	
S2	2,382	R2	2,494		
S3	2,362	R3	2,535		

**Synopsis - Intraday**

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (55)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,422
- A mixed technical yesterday, we were bearish with the move below USD 2,378 suggesting support levels were vulnerable, the RSI had also broken support levels, warning the move higher could fail to hold. However, this is countered by the close back above the weekly pivot level (USD 2,398), whilst the MA on the RSI had started to flatten. We were cautious on upside moves, but with the conflicting signals, we are taking a more neutral view, due to the lack of clarity. If we closed back below the weekly pivot on the daily chart, the USD 2,335 support would start to become vulnerable. Sideways action yesterday with the small upside move failing to hold, we remain above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 2,422 with the RSI at or below 51 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 2,335 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 today with, we remain bearish with upside moves looking like they could be countertrend. However, the futures remain above the weekly pivot level at this point, implying momentum is supported. Based on this we maintain a more neutral view as there continues to be a lack of clarity.

# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	17,579	R1	17,705	RSI above 50	Stochastic overbought
S2	17,470	R2			
S3	17,321	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (62)
- Stochastic is overbought
- Price is below the daily pivot point USD 17,786
- Technically bullish yesterday, our intraday Elliott wave analysis suggested that we had a potential upside target at USD 18,086. However, we had a negative divergence with the RSI in play, not a sell signal, it warned that we could see a momentum slowdown which needed to be monitored. Key support was at USD 17,244, if broken, then the probability of the futures trading to a new high would start to decrease. The futures traded to a high of USD 17,935 before seeing a small move lower in the Asian day session. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buy side, as the previous candle closed above 50 with the RSI above its average.
- A close on the 4-hour candle below USD 17,786 with the RSI at or below 61.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or below USD 17,321 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, based on our intraday Elliott wave analysis we maintain a potential upside at USD 18,086. However, as noted yesterday, we continue to have a note of caution due to the divergence that is in play.

# Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,058	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (43)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,070
- Technically bearish yesterday, if price and momentum became aligned to the sell side, and we closed below the weekly pivot level on the daily chart, then we could see the USD 2,057 support be tested and broken. If we held above the weekly pivot level (USD 2,077), it would warn that there continues to be buyside support in the market. The MA on the RSI suggested that momentum remained weak, whilst the RSI had broken support, implying upside moves could struggle to hold. The futures have sold lower with price closing below the USD 2,077 level. 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 2,070 with the RSI at or above 51 will mean price and momentum are aligned to the buyside; likewise, a close below this level will mean it is aligned to the sell 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.
- Technically bearish, the futures have rejected our key resistance with price breaching the USD 2,057 support into the close yesterday, warning the USD 2,031 fractal low is now vulnerable. The MA on the RSI is implying that momentum is weak whilst the RSI is making new lows, warning upside moves could struggle to hold at this point.