

## China

China set its annual growth target at around 5%, an ambitious goal that will put pressure on the nation's top leaders to unleash more stimulus as they try to lift confidence in an economy hampered by a property slump and entrenched deflation.

Premier Li Qiang acknowledged the challenges facing the world's second-largest economy as he delivered his first work report to the national parliament at its opening Tuesday. "It is not easy for us to realize these targets," he told thousands of delegates assembled at the Great Hall of the People in Beijing. "We need policy support and joint efforts from all fronts." (Bloomberg).

## Metals

Iron ore and base metals edged lower after China unveiled its economic goals for 2024, including an ambitious growth target of around 5% that raised expectations for more stimulus measures.

Industrial commodities have struggled this year amid a disappointing recovery in China, and investors are closely watching the country's annual National People's Congress underway in Beijing for clues on demand prospects.

Aside from the broad growth target, the government said it's planning to issue 1 trillion yuan (\$139 billion) worth of ultra-long special central government bonds, which could support major infrastructure projects as local governments struggle with debt issues.

Still, the initial reaction from metals suggests no expectation of immediate relief from the property downturn and weak manufacturing that's weighed on prices this year. There's also few signs of a ramp-up for China's construction sector, despite the nation entering its usual seasonal building peak period during March and April.

Iron ore futures in Singapore wavered between narrow gains and losses and traded 0.5% lower at \$115.10 a ton by 9:33 a.m. local time. Copper, zinc and nickel on the London Metal Exchange all posted modest declines (Bloomberg).

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,447	R1	8,512	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 (52)
- Price is below the daily pivot point USD 8,526
- Stochastic is overbought
- Technically bullish yesterday, our intraday Elliott wave analysis continued to suggest that downside moves look like they could be countertrend. If we rejected the USD 8,546 resistance, it would warn that the corrective phase could be more complex. If broken, then the probability of the futures trading to a new low would start to decrease, meaning we could be in the early stages of a bullish impulse wave 5. The futures traded above the USD 8,546 resistance before entering a small corrective phase. We are above the EMA support band with the RSI above 50, intraday price and momentum are conflicting.
- A close on the candle above USD 8,526 with the RSI at or above 55.5 will mean price and momentum are aligned to the buyside. Likewise, a close below this level with the RSI at or below 51 will mean it is 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 are moving lower; however, the breach in the USD 8,546 resistance yesterday is warning that the probability of the futures trading to a new low has started to decrease. This would suggest that we are potentially in the early stages of a bullish impulse Elliott wave 5. If we do trade below USD 8,427, the technical would suggest caution, as it implies that we remain in a more complex corrective phase.

# Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,231	RSI above 50	
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 above 50
- Price is on/below the daily pivot point USD 2,232
- Technically bearish yesterday, we had a neutral bias, as the breach in the USD 2,236 resistance warned that the probability of the futures trading to a new low had started to decrease. The MA on the RSI also implied that momentum was supported, whilst price was above the weekly pivot level (USD 2,219), if we held above it, then resistance remained vulnerable. However, we had a bearish rejection candle on the 4-hour chart that has resulted in an intraday pullback, if we close below the weekly pivot on the daily chart, then the USD 2,199 support could come under pressure. The futures had a test to the downside with price trading below but closing above the weekly pivot level. We are above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,232 with the RSI at or above 59.5 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 2,199 will support a near-term bull argument, if broken, then the USD 2,175 fractal low could come under pressure.
- Technically bearish with a neutral bias, the upside rejection candle has now been countered by a downside rejection candle, implying there is neutrality in the market. If we trade below the base of the support candle (USD 2,216.5) it will warn that the USD 2,199 support could come under pressure. Likewise, above the high of the bearish rejection candle (USD 2,248.5) would suggest upside continuation. As noted yesterday, the weekly pivot is at USD 2,219, a close on the daily candle below this level will warn that sell side pressure is increasing. If we hold above this level, then the futures will remain supported.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,417	R1	2,465	RSI above 50	
S2	2,393	R2	2,494		
S3	2,371	R3	2,535		

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (57)
- Stochastic is above 50
- Price is on the daily pivot point USD 2,442
- Technically bearish yesterday, the futures were holding above the EMA support band with price above the weekly pivot level (corrected to USD 2,417), implying the market was supported. However, the MA on the RSI and the EMA support band were flat, meaning we continued to have a lack of directional bias. Based on this, we continue to have a more neutral view. The futures traded higher, meaning the Elliott wave sequence in this upside move has become even more complex. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are conflicting, as the previous candle closed below the daily pivot level.
- A close on the 4-hour candle below USD 2,442 with the RSI at or below 53.5 will mean price and momentum are aligned to the sell side. Likewise, a close above this level with the RSI will mean it is aligned to the buy 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 2,341 will support a near-term bull argument, below this level the USD 2,278 fractal low will start to look vulnerable.
- Technically bearish, the futures remain supported above the weekly pivot level (revised to USD 2,417). However, the new high yesterday means that we now have a negative divergence on the 4 - hour – 2 hour – 1 – hour timeframes. For this reason, the futures are not considered a technical buy at these levels.

# Nickel Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	17,675	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 (56)
- Stochastic is above 50
- Price is below the daily pivot point USD 17,768
- Technically bullish with a potential upside target at USD 18,086, we maintained a note of caution as a new high would create further divergences with the RSI. For this reason, we did not consider the futures a technical buy at these levels. The futures have traded to a new high, but the move is failing to hold, as price has moved 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 sell side.
- A close on the 4-hour candle above USD 17,768 with the RSI at or above 61.5 will mean price and momentum are aligned to the buy side. Downside moves that hold at or below USD 17,333 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the futures traded to a new high yesterday, creating a negative divergence with the RSI, price and momentum did not become aligned to the buy side. We may move higher as we have a potential upside target at USD 18,086; however, based on the momentum indicators, we maintain our view that the futures are not considered a technical buy at these levels.

# Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,031	R1	2,034	Stochastic oversold	RSI below 50
S2	2,021	R2			
S3	2,005	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (40)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,048
- Technically bearish yesterday, the MA on the RSI continued to imply momentum was weak, whilst the break in the USD 2,057 support meant that the USD 2,031 fractal support was vulnerable. We maintained our view that upside moves could struggle to hold based on the RSI making new lows alongside support. Having traded higher yesterday, price is selling lower this morning. We remain below all key moving averages supported by the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,048 with the RSI at or above 44 will mean price and momentum are aligned to the buy side. Likewise, a close below this level with the RSI at or below 39.5 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, we have tested but held the USD 2,031 level. The MA on the RSI is implying momentum weakness; however, below USD 2,031 will create a minor positive divergence with the RSI, not a buy signal it is a warning that we could see a momentum slowdown, which will need to be monitored. The recent low in the RSI does suggest that upside moves have the potential to be countertrend, whilst the longer-term Elliott wave cycle remains bearish.

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