

## US

Federal Reserve Chair Jerome Powell suggested the central bank is getting close to the confidence it needs to start lowering interest rates.

“We’re waiting to become more confident that inflation is moving sustainably at 2%,” Powell said Thursday while answering questions from the Senate Banking Committee. “When we do get that confidence — and we’re not far from it — it’ll be appropriate to begin to dial back the level of restriction.”

Powell’s remarks add some additional color about officials’ thinking around the timing of the first rate cut, bolstering the idea that such a move could come in the next few months.

Two-year Treasury yields fell following Powell’s comment, while traders boosted bets on a June rate cut. (Bloomberg).

## Cu

Copper traded near its highest close since late-December as investors tracked growing signs of supply tightness, while Citigroup Inc. said weak sentiment on Chinese demand could turn around.

The metal is on course for a weekly advance, despite few meaningful pro-growth measures emerging from China’s much-anticipated annual parliament in Beijing. Citi stuck to its forecast for copper to gain through March and April, citing factors including a potential uptick in Chinese credit flows.

Market consensus on China “could be quickly revitalized by strong credit prints for February and March and/or meaningful detail of support for metals-intensive sectors like property and infrastructure,” the bank’s analysts wrote in a note. Copper will reach \$8,800 in the near-term and \$9,000 a ton is “feasible,” they wrote. (Bloomberg).

## Zn

Zinc extended gains to a five-week high as investors unwind big bearish bets, with signs of tighter supplies and buoyant commodities demand in China brightening the outlook for the metal.

Prices rose as much as 1.8% to \$2,540 a ton, continuing a rebound that brokers say has been driven by investors closing short positions on the London Metal Exchange after they reached a record level in data going back to 2018. All base metals gained Thursday as Chinese data showed strong demand for raw materials like coal, crude oil and iron ore, while former central bank governor Yi Gang outlined a plan to revive the country’s ailing property sector (Bloomberg).

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,622	R1	8,643	RSI above 50	Stochastic overbought
S2	8,583	R2			
S3	8,553	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (62)
- Price is above the daily pivot point USD 8,622
- Stochastic is overbought
- Technically bullish yesterday, the move higher previously warned that we were potentially in the early stages of a bullish impulse wave 5; however, we needed to trade above the USD 8,608.5 fractal resistance for final confirmation. If we did, then we had a potential upside target as high as USD 8,725. We note that a new high would create a negative divergence with the RSI, not a sell signal, it warned that we could see a momentum slowdown, which would need to be monitored. We traded to a high of USD 8,680 before seeing a small pullback into the close. Price is finding bid support again this morning, we remain above all key moving averages with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the candle below USD 8,622 with the RSI at or below 57 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 8,513 will support a bull argument, below this level the technical will have a neutral bias.
- We are now on a bullish impulse wave 5 with our intraday Elliott wave analysis continuing to suggest that we have a potential upside target at USD 8,724. However, the new high means that the futures are in divergence with the RSI, not a sell signal it is a warning that we have the potential to see a momentum slowdown which will need to be monitored. If we do trade below the USD 8,513 support, then the probability of the futures trading to a new high will start to decrease.

# Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,247	R1	2,253.5	RSI above 50	Stochastic overbought
S2	2,230	R2			
S3	2,220	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (58)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,247
- Technically bearish with a neutral bias yesterday, the futures continued to consolidate between USD 2,216.5 – USD 2,248.5 having held above the weekly pivot support yesterday. We noted that if we did trade above the USD 2,248.5 fractal resistance, there was a chance that it could create a negative divergence, which would need to be monitored. The futures have broken to the upside and traded above the near-term fractal resistance. Price is above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,247 with the RSI at or below 54 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,205 will support a near-term bull argument, below this level the technical will be back in bearish territory.
- Technically bearish with a neutral bias, the upside move yesterday did not create a negative divergence with the RSI on the 4-hour chart. On the lower timeframe we do have a bullish impulse 5 wave Elliott wave pattern that is currently in divergence. This does warn that we could see a momentum slowdown which will need to be monitored. However, the fact that the move is a bullish impulse pattern does suggest that the footprint in the market is potentially changing, warning that USD 2,269 fractal resistance could be broken before we see a technical pullback. If it is, then the intraday technical will be bullish.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,518	R1	2,538	RSI above 50	Stochastic overbought
S2	2,475	R2			
S3	2,456	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (70)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,518
- The upside move above our key resistance means yesterday means the futures although bearish have a neutral bias, the probability of price trading to a new low is decreasing. The RSI is making new highs on the lower timeframes, meaning the negative divergences have failed. The MA on the RSI is also warning that momentum is supported, implying support levels could hold if tested. With the divergences failing, we were cautious on downside moves. The futures continue to move higher; we are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,518 with the RSI at or below 64 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,429 will support a near-term bull argument, below this level the USD 2,372 fractal low will start to look vulnerable.
- The futures had looked like they were on a higher timeframe bearish phase (within the Elliott wave cycle), which may still be the case; however, with the probability of the futures trading to a new low now decreasing, the RSI making new highs, the MA on the RSI implying that momentum is supported, alongside the time factor in the upside move. We believe that downside support levels could hold if tested in the near-term, meaning resistance levels are now vulnerable. In theory, the nearest fractal resistance on the daily chart is at USD 2,605.5, only above this level is the technical considered as bullish, as this is the high of the last dominant bear wave. However, the move lower lasted 12 days, the current upside move is 19 days, suggesting market sellers should now be cautious, as there are too many warning signs outside of the wave cycle that resistance could come under pressure.



# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	17,817	R1	17,690	RSI above 50	Stochastic overbought	
S2	17,670	R2				18,086
S3	17,490	R3				18,380

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (59)
- Stochastic is below 50
- Price is above the daily pivot point USD 17,813
- Unchanged on the technical again yesterday, we remained bullish with an upside target at USD 18,086 based on the intraday Elliott wave cycle. However, due to the divergence in play, we continue to have a note of caution on upside moves. As noted previously, a close below the weekly pivot level (USD 17,565) would imply that buy-side momentum was weakening, meaning the USD 17,333 support would start to become vulnerable. If broken, then the probability of the futures trading to a new high will start to decrease. We remain supported with price trading to a high of USD 18,025, we are above all key moving averages with the RSI above 50, intraday price and momentum are aligned to the buy-side.
- A close on the 4-hour candle below USD 17,813 with the RSI at or below 53.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or below USD 17,670 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the futures are in divergence with price approaching our upside target level, implying that they are not considered as technical buy at these levels. However, the time expansion on this move means we have just seen a higher time wave extension, meaning downside moves will be considered as countertrend.

# Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,133	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 (69)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,095
- Technically we remained bearish yesterday, the upside move above the USD 2,083 level warned that the near-term technical was bearish but with a neutral bias (the longer technical was bearish below USD 2,116), suggesting resistance levels were starting to look vulnerable. The MA on the RSI implied that momentum was supported whilst the RSI had broken resistance, warning support levels could hold if tested in the near-term. With resistance levels looking vulnerable yesterday we have seen a move higher; however, we have broken the USD 2,116 level, meaning that the probability of the futures trading to a new low has started to decrease. Price is above all key moving averages with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,095 with the RSI at or above 56 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,067 will support a near-term bull argument, below this level the USD 2,031 fractal support will start to look vulnerable.
- The break in fractal resistance and the USD 2,116 level is warning that resistance levels remain vulnerable. The MA on the RSI is implying momentum support, whilst the RSI has made a new high, suggesting downside moves should be considered as countertrend. In theory, we are bearish with a neutral bias; in reality, price action is bullish, meaning that technical is suggesting that we could continue to move higher.