

Cu

Copper declined from the highest close in a year as investors weigh rising inventories against strong factory and investment data from the top metals-consuming country.

The metal surged 5.7% last week, ending a months-long spell of inertia, as investors honed in on risks to supply at mines and smelters, along with a generally more positive global economic outlook. Goldman Sachs Group Inc. has maintained its bullish view on copper, forecasting it will rise to \$10,000 a ton by the end of this year. (Bloomberg).

Al

China has released guidelines on collecting data on direct and indirect emissions from aluminum producers, moving closer to including the energy-intensive industry in its national carbon market.

The Ministry of Ecology and Environment released a policy consultation paper on Friday that includes a formula for recording emissions

Aluminum producers, responsible for 3% of China's emissions, will be able to buy domestic green power certificates and deduct them from emission targets

The consultation period will run through end-March, and the ministry has sought feedback major producers including Aluminium Corp. of China

The guidelines will lay the foundations for including the aluminum sector in the carbon market, which will likely be retrospective to include emissions for 2023, said Qin Yan, an analyst at the London Stock Exchange. The inclusion of indirect emission differs from the EU ETS, and is aimed at speeding up the energy transition in China, he said (Bloomberg)

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,023	R1	9,035	RSI above 50	Stochastic overbought
S2	8,841	R2			
S3	8,762	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (71)
- Price is above the daily pivot point USD 9,023
- Technically bullish on Friday, the futures were in divergence on a lower timeframe, warning we could see a momentum slowdown. However, the longer-term Elliott wave cycle was bullish, indicating downside moves should in theory be countertrend, making USD 8,639 the key support to follow. 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 9,098 before seeing a small pullback on the Asian open. We are above all key moving averages with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 9,023 with the RSI at or above 74.5 will mean price and momentum are aligned to the buy side. Likewise, a close below this level with the RSI at or below 70 will mean it is aligned to the sell side. Downside moves that hold at or above USD 8,655 will support a bull argument, below this level the technical will have a neutral bias.
- Unchanged on the Technical, we remain bullish with downside moves considered as countertrend based on our Elliott wave analysis. The futures remain in divergence with the RSI on a lower timeframe, not a sell signal, it is a warning that we could see a momentum slowdown which will need to be monitored. For this reason, we maintain a cautious view on upside moves at these levels.

Aluminium Morning Technical (4-hour)



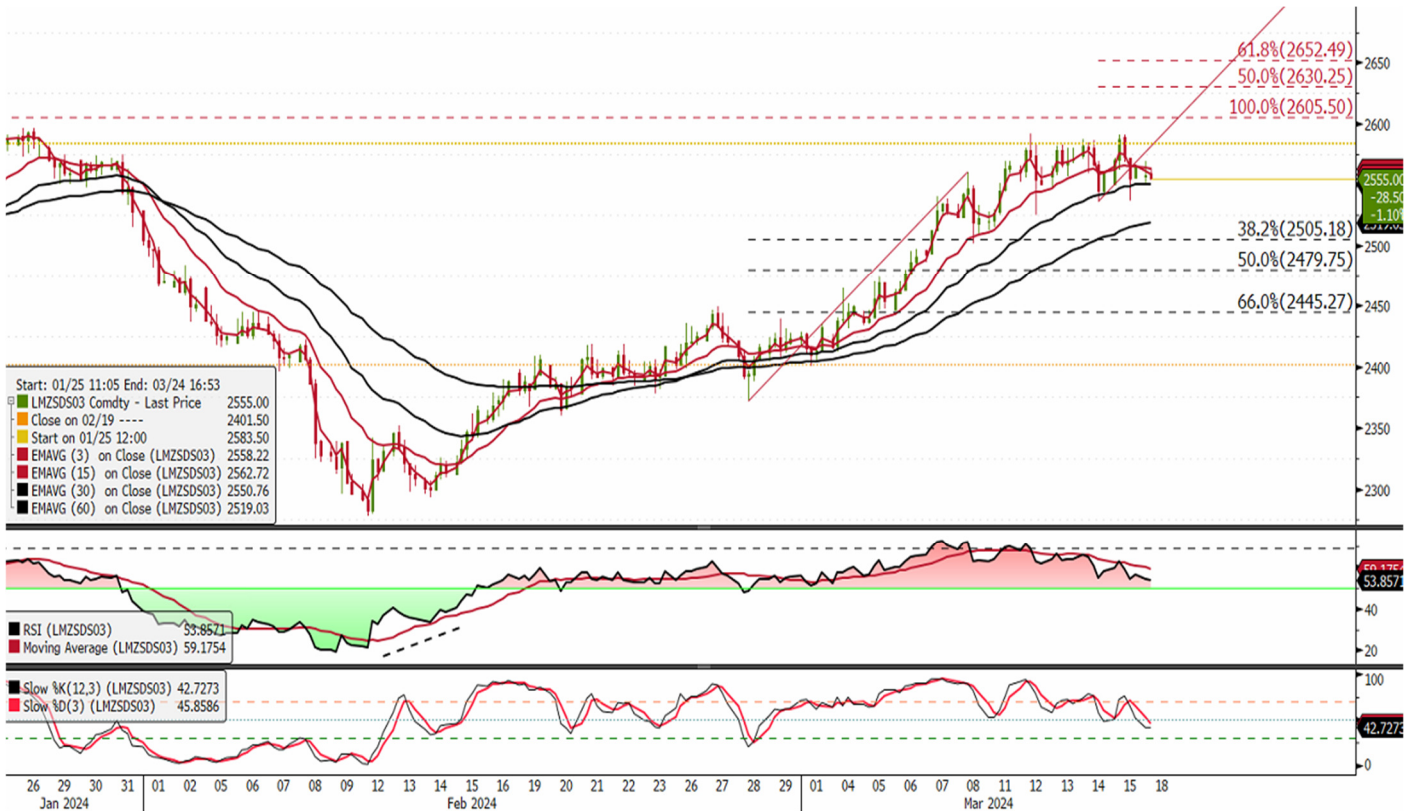
	Support	Resistance	Current Price	Bull	Bear
S1	2,267	R1	2,268	RSI above 50	Stochastic overbought
S2	2,257	R2			
S3	2,224	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (54)
- Stochastic is overbought
- Price is on/above the daily pivot point USD 2,267
- Technically bullish last week, the futures were testing the USD 2,274.5 fractal resistance (current price was USD 2,274); if broken, then the 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. If we did trade to a new high, then key fractal support will move up to USD 2,244.5, below this level the intraday technical will then become bearish. The futures traded to a new high before seeing a small move lower. We remain above all key moving averages with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 2,267 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 at or above 58 will mean it is aligned to the buyside. Downside moves that hold at or above USD 2,257 will support a longer-term bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the futures are now in divergence with the RSI, warning we have the potential to see a momentum slowdown which will need to be monitored. Downside moves below USD 2,244.5 will mean the intraday technical is bearish; however, a corrective move lower that holds at or above USD 2,221 will imply that there is potentially a larger bull cycle in play. Due to the divergence, the technical suggests caution on upside moves at these levels.

Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,555	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 (53)
- Stochastic is below 50
- Price is below the daily pivot point USD 2,564
- Technically we were bearish with a neutral bias on Friday with near-term price action remaining bullish. The higher timeframe wave 3 had not seen its oscillator cross on the downside move previously, suggesting we were going to see further wave 3 extensions on this phase of the cycle. A move above USD 2,592 would mean we had a potential upside target at USD 2,652, warning the intraday technical would officially become bullish above USD 2,605. However, we did have a note of caution on upside breakouts as price would be in divergence with the RSI. We maintained our view that downside moves should be considered as counter-trend. We traded to a high of USD 2,591 before correcting, meaning we failed to create an upside breakout (and wave extension). The futures 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 2,264 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 above USD 2,445 will support a longer-term bull argument, below this level the probability of there being a larger bull cycle in play will decrease.
- We remain bearish with a neutral bias; the MA on the RSI is warning that momentum is weak at this point. A close on the daily candle below the weekly pivot level (USD 2,556) will imply sell side momentum is increasing, meaning Fibonacci support could come under pressure. However, we maintain our view that there looks to be a larger bullish Elliott wave cycle in play, meaning downside moves have the potential to be counter-trend.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	18,186	R1	17,960	Stochastic oversold	RSI below 50
S2	17,680	R2			
S3	17,400	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA support band (Black EMA's)
- RSI is below 50 (47)
- Stochastic is oversold
- Price is below the daily pivot point USD 18,051
- Unchanged on the technical on Friday, we maintained our view that downside moves should be considered as countertrend, meaning resistance levels remained vulnerable. The MA on the RSI is still warned of momentum weakness; however, the RSI was above 50 with the stochastic crossing above 30, suggesting price and momentum could soon become aligned to the buyside. The intraday upside move on Friday failed to hold with the RSI rejecting its MA, resulting in price moving lower. We are between the EMA support band with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 18,051 with the RSI at or above 54.5 will mean price and momentum are aligned to the buyside. Downside moves that hold at or below USD 17,019 will support a bull argument, below this level the technical will have a neutral bias.
- Technically we are bullish; however, the pullback has resulted in our higher timeframe oscillator crossing below 50, warning that support levels are starting to look vulnerable. This also brings into question the near-term bull cycle, suggesting caution on upside moves at this we point. We had downside moves as looking like they could be countertrend, this may no longer be the case. If we do hold above the USD 17,019 level, it will warn that there is possibly a larger bull cycle in play. However, at this point, the MA on the RSI is warning of momentum weakness, the RSI is below 50 whilst price is below the weekly pivot level (USD 18,123). If we close on the daily chart below the weekly pivot level, it will imply that sell side momentum is increasing.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,101	R1	2,114	Stochastic oversold	RSI below 50
S2	2,078	R2			
S3	2,061	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (47)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,133
- Technically bearish with a neutral bias on Friday. The futures were moving lower on the back of a negative divergence with the RSI, suggesting support levels were vulnerable in the near-term. However, if our Elliott wave analysis was correct, then the current move lower looked like it could be countertrend. The futures continue to sell lower with price trading in the Fibonacci support zone. The RSI is below 50 with price just below the EMA support band, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,133 with the RSI at or above 60 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 2,078 will support a near-term bull argument, below this level the USD 2,031 fractal support will start to look vulnerable. Likewise, upside moves that fail at or below USD 2,151 will leave the futures vulnerable to further tests to the downside.
- Technically bearish with a neutral bias, the MA on the RSI is warning that momentum remains weak whilst the RSI has moved below 50. The intraday move lower means that we are below the weekly pivot level (USD 2,134), a close on the daily chart below this level will imply that sell side pressure is increasing, meaning support levels could come under pressure. As noted previously, if our Elliott wave analysis is correct, then the current move lower looks like it could be countertrend, making USD 2,078 the key support to follow. If broken, it will mean that the technical is back in bearish territory, suggesting caution on upside moves.