

## Cu

Copper resumed its rally that saw it hit an 11-month high this week, with the Federal Reserve's signals that it will meet rate-cut expectations bolstering risk appetite and weakening the US dollar.

The metal has gained more than 10% over the past six weeks, boosted by supply risks, along with a generally more positive global economic outlook. Open-interest, or the number of outstanding contracts, for copper on the Shanghai Futures Exchange has surged to a record of more than 500,000 since last week as investors increased bullish bets. (Bloomberg)

## Zn

Glencore Plc has temporarily ceased operations at its McArthur River zinc and lead mine in northern Australia after the region was swamped with heavy rain from a cyclone that made landfall on Monday.

The site has seen unprecedented rainfall this week, which exceeded a previous record set in 1974, according to a statement from Glencore. The company is monitoring flooding in the area and assessing impacts on its operations.

Tropical Cyclone Megan was the biggest storm to make landfall in the Northern Territory since Trevor in 2019, according to Australia's Bureau of Meteorology. The system also shuttered a major manganese mine on Groote Eylandt and led to operator South32 Ltd. withdrawing production guidance. (Bloomberg)

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,962	R1	9,062.5	RSI above 50	
S2	8,909	R2			
S3	8,882	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (62)
- Stochastic is below 50
- Price is above the daily pivot point USD 8,962
- Technically bullish but in a corrective phase yesterday, we maintained our view based on Elliott wave analysis that downside moves look to be countertrend. Momentum was conflicting, as the MA warned of weakness, but the RSI was above 50 with the stochastic in oversold territory. As noted previously, a close on the daily candle below the weekly pivot level (USD 8,909) will warn that the Fibonacci support zone could come under pressure. The futures tested but failed to close below the weekly pivot level with price moving higher in the Asian day session. We are above the EMA support band with the RSI above 50, intraday price and momentum are conflicting, as the RSI was on its MA on the previous candle close.
- A close on the 4-hour candle above USD 8,962 with the RSI at or above 63 will mean price and momentum are aligned to the buyside; likewise, a close below this level with the RSI at or below 58.5 will mean it is aligned to the sell side. Downside moves that hold at or above USD 8,677 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the futures are potentially entering a bullish Elliott wave 5 for this phase of the cycle. If we trade above USD 9,164.5, wave analysis would suggest that we have a potential upside target at USD 9,342. We have held above the weekly pivot level with price and momentum looking like it could become aligned to the buyside. However, we need confirmation of this, although the RSI is above its MA, the average is warning that momentum remains weak.

# Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,281	R1	2,301.5	RSI above 50	Stochastic overbought
S2	2,275	R2			
S3	2,266	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (63)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,278
- Unchanged on the technical yesterday, based on our Elliott wave analysis we remained bullish with downside moves considered as countertrend. If we traded above the USD 2,294 fractal high, we had a potential upside target at USD 2,321. Likewise, a close below the weekly pivot level on the daily chart (USD 2,263) would warn that the USD 2,244.5 fractal support could be tested and broken. The futures have traded to a new high with price above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 2,278 with the RSI at or below 55 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,266 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, our intraday Elliott wave analysis is suggesting that we have a potential upside target at USD 2,321 for this phase of the cycle. The MA on the RSI is implying momentum is supported, whilst the RSI is making new highs. If we do trade below the USD 2,266, then the probability of the futures trading to a new low will start to decrease. One point of note, the futures are not in divergence at this point, suggesting there could be further upside within this cycle, meaning that the USD 2,321 resistance could be broken.

# Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,548	RSI above 50	
S2	R2			
S3	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is above 50 (54)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,514
- Technically bullish but in a corrective phase yesterday, our intraday Elliott wave analysis suggested that the current move lower looked to be countertrend. The MA on the RSI warned of momentum weakness, suggesting we could see one more test to the downside within this corrective phase. However, the corrective cycle was based on a 20 min candle, implying caution on downside moves below USD 2,485. We failed to trade below the USD 2,485 level with price now moving higher. Price is above all key moving averages with the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,514 with the RSI at or below 44.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,445 will support a bull argument, below this level the technical will have a neutral bias. Likewise, upside moves that fail at or below USD 2,555 will leave the futures vulnerable to further tests to the downside, above this level the USD 2,592 fractal high will start to look vulnerable.
- Technically bullish, the MA on the RSI is now flat implying sell side momentum has slowed down whilst price is testing key resistance, if broken, then the probability of the futures testing and breaking the USD 25.92 fractal high will increase. We look like we could be in the early stages of a bullish impulse Elliott wave 5, if this is the case, then we have the potential to trade as high as USD 2,679 within this phase of the cycle.



# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	17,486	R1	17,655		RSI below 50
S2	17,400	R2			
S3	17,019	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (45)
- Stochastic is above 50
- Price is above the daily pivot point USD 17,486
- The move below the USD 17,490 level yesterday meant that the intraday technical was now bearish. The MA on the RSI warned that that momentum remained weak whilst the RSI was making new lows, suggesting upside moves could be countertrend. Key support to follow remained at USD 17,019, if we held above this level, it would warn that there is potentially a larger bull cycle in play. The futures have found light bid support resulting in a small move higher. We remain below the EMA resistance band (the averages have now crossed) with the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 17,486 with the RSI at or below 38 will mean price and momentum are aligned to the sell side. Downside moves that hold at or below USD 17,019 will warn that there could be a larger bull cycle in play, below this level the USD 16,205 fractal support will start to look vulnerable. Likewise, upside moves that fail at or below USD 18,132 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the MA on the RSI is starting to flatten, warning sell side momentum is in the process of slowing down. However, the RSI has made new lows with price below the weekly pivot level (USD 18,123), suggesting caution on upside moves at this point, as they have the potential to be countertrend.

# Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,061	R1	2,070	Stochastic oversold	RSI below 50
S2	2,045	R2			
S3	2,031	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 2,078
- The futures were back in bearish territory yesterday, the upside move previously was on the back of a lower timeframe positive divergence. We noted that a move below USD 2,074 would create a positive divergence on the 4-hour RSI, suggesting caution on downside breakouts. The MA on the RSI was starting to flatten, implying sell side momentum was showing signs that it could be slowing down. However, the recent low on the RSI warned that upside moves could be countertrend. Based on the momentum slowdown, we are cautious on downside moves at these levels in the near-term. The futures did have one more test to the downside before finding light bid support on the Asian open. Price is below the EMA resistance band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,078 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 2,138 will leave the futures vulnerable to further tests to the downside.
- Technically bearish, the 4-hour futures are not in divergence; however, the 1-hour is, meaning we remain cautious on downside moves at this point. We maintain our view that upside moves look like they could be countertrend at this point based on the RSI making a new low on the 20/03.

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