

## China

Profits at China's industrial companies increased in the first two months of the year, extending a gaining streak since August and adding to positive signs in the economy.

Industrial profits rose 10.2% from a year earlier in January-February, according to data published by the National Bureau of Statistics on Wednesday. That was boosted by a low base of comparison a year earlier and came after double-digit growth was recorded in four of the last five months in 2023. For the full year of 2023, profits fell 2.3% due to slumps in the first seven months. (Bloomberg)

## Al—Cu— Zn

Aluminum fell with other industrial metals, as the recent rally in prices runs into a lack of buying interest in China, the top consuming country.

The LME Metals Index, which tracks the six main base metals, rose to an eight-month high earlier in March, with copper breaching \$9,000 a ton for the first time in nearly a year, after investors honed in on supply risks and bet on an improving global manufacturing outlook.

But consumption continues to disappoint in China, where the usual pickup in spring activity hasn't fully materialized. Buyers have been deterred by recent price gains, spot aluminum discounts are widening, and traders are dumping cargoes, Jinrui Futures Co. said in a note.

There was some cheer to be had in China's latest industrial profits data, which extended gains that began in August, although much of the strength could be attributed to the base effect of comparing to a weak 2023.

Aluminum fell 0.4% to \$2,295 a ton on the London Metal Exchange as of 11:02 a.m. in Shanghai. Copper and zinc fell by similar amounts.

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	8,795	R1	8,836		RSI below 50	
S2	8,677	R2				8,856
S3	8,584	R3				8,948
					9,091	

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- The RSI below 50 (46)
- Stochastic is below 50
- Price is below the daily pivot point USD 8,856
- Unchanged on the technical yesterday, we had seen a small move lower meaning we were below the weekly pivot level (USD 8,948) and EMA support band. If we did trade below the USD 8,677 level, then the probability of the futures trading to a new high would start to decrease. However, our intraday Elliott wave analysis suggested that the downside move looked like it could be countertrend. The MA on the RSI was suggesting momentum remained weak, but the MA was starting to flatten, implying sell side momentum was showing signs of slowing down. It was only minor, but the RSI was now in divergence with price, again, also warning sell side momentum could be slowing. The futures continue to consolidate with price below the EMA support band. The RSI is below 50 with price and momentum now conflicting.
- A close on the 4-hour candle above USD 8,856 with the RSI at or above 49.5 will mean price and momentum are aligned to the buy side. Likewise, a close below this level with the RSI at or below 45 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 look to be forming a symmetrical triangle (highlighted on chart), this is implying there is a neutral bias in the market at this point. A close below that holds below trend support will warn the USD 8,677 level could be tested and broken. If it is, then the probability of the futures trading to a new high will start to decrease. Likewise, a close above trend resistance will warn that we have the potential to move higher. The MA on the RSI is flat whilst the RSI is in divergence, warning sell side momentum is slowing down at this point.

# Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,289	R1	2,309	RSI above 50	
S2	2,276	R2	2,331		
S3	2,265	R3	2,341		

## Synopsis - Intraday

Source Bloomberg

- Price is between the EMA support band (Black EMA's)
- RSI is above 50 (51)
- Stochastic is below 50
- Price is below the daily pivot point USD 2,309
- Technically bullish yesterday, the RSI had rejected its resistance level; however, the divergence was now questionable as it was minor. There was now a chance that we could see an Elliott wave extension (it had not been confirmed yet), if we did, then downside moves would be considered as countertrend. This technical was in balance, meaning we were taking a neutral view until it become clear whether we will see a wave extension or not. The futures have sold lower on the back of the minor divergence with price now trading in the Fibonacci support zone. We are between 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 2,309 with the RSI at or below 60.5 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 2,276 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, we have now entered a corrective phase. The RSI has broken support to make a new low, warning that the upside moves could in theory struggle to hold, the MA on the RSI is warning that momentum is weakening, meaning the USD 2,276 support is starting to look vulnerable. If broken, then the probability of the futures trading to a new high will start to decrease. The intraday futures have tested but held the weekly pivot level (USD 2,290), if we close on the daily candle below this level, it will warn that sell side pressure is increasing.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,418	R1	2,439	Stochastic oversold	RSI below 50
S2	2,372	R2			
S3	2,332	R3			

**Synopsis - Intraday**

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (37)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,460
- The longer-term trend remained bullish (Elliott wave), but price was still in a corrective phase. The futures were in divergence with the RSI, not a buy signal, it warned that we could see a momentum slowdown, which needed to be monitored. For this reason, we remained cautious on downside moves. A close on the daily candle above USD 2,513 (weekly pivot) would warn that buy-side pressure is increasing, meaning we could see resistance levels come under pressure. The futures have traded lower resulting in the positive divergence failing, 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 2,460 with the RSI at or above 43.5 will mean price and momentum are aligned to the buy-side. Upside moves that fail at or below USD 2,531 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.
- We are seeing a similar pattern in Zn to the one in Pb, a strong move higher that looked like it would be bullish impulse that had broken key resistance. However, like Pb the move has failed to hold with price breaking key support at USD 2,445. The probability of the futures trading to a new high has started to decrease. The downside moves yesterday has resulted in the divergence failing, meaning we are seeing an extension of the corrective phase, meaning upside moves now look like they could be countertrend. The MA on the RSI is warning momentum remains weak whilst the RSI is making new lows.

# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	16,280	R1	16,620	Stochastic oversold	RSI below 50	
S2	16,014	R2				17,329
S3	15,840	R3				17,570

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (30)
- Stochastic is oversold
- Price is below the daily pivot point USD 16,760
- Technically bearish yesterday, the downside move previously below the USD 17,019 level warned that the probability of the futures trading to a new high had started to decrease. This fitted into our interpretation of the Elliott wave cycle, as we look to be on wave 5 of wave A (the first wave in the corrective cycle is A), meaning upside moves were considered as countertrend at this point. The 4-hour divergence had failed; however, we were in divergence on the lower timeframe, meaning we remained cautious on downside moves. The futures continued to move lower with price remaining below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 16,760 with the RSI at or above 36.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 17,896 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish with upside moves considered as countertrend, as the futures continue to look like they are in a higher timeframe correct Elliott wave A. We remain in divergence on the lower timeframe with the RSI testing a longer-term support on the 4-hour chart. Countering this, the MA on the RSI continues to warn that momentum remains weak. We are bearish and could still move lower; however, we continue to have a note of caution on downside moves at these levels.

# Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,008	R1	2,015	Stochastic oversold	RSI below 50
S2	1,970	R2			
S3	1,959	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (35)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,025
- Unchanged again yesterday. We remained bearish with both the 1-and-4-hour RSIs in divergence, whilst the MA on the RSI was flat with price and momentum conflicting. The futures are showing signs of exhaustion, warning we are looking vulnerable to a move higher in the near-term. We have seen another small move lower, meaning we remain below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,039 with the RSI at or above 39 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,117 will leave the futures vulnerable to further tests to the downside.
- Technically bearish, the MA on the RSI remains flat with the 60-min RSI still in divergence. The technical continues to show signs of exhaustion, warning we could be seeing a momentum slowdown, this will need to be monitored.