

Metals

Copper pared its advance that saw it reach a two-year high as investors weighed the next moves for metals after a strong performance in April so far.

Base metals have posted broad gains in recent weeks, and copper opened Monday with a fresh advance close to \$10,000 a ton. Signs of improvement in manufacturing activity from the US to China have buoyed metals, although geopolitical risks and renewed uncertainty over monetary policy are clear risks.

“The path forward from here will be data-dependent and led by individual metal fundamentals,” Citigroup Inc. analysts wrote in an emailed note. The copper outlook looks bullish in the next three months on the prospect of a tighter market and short covering, they said, while other metals have weaker physical fundamentals.

Investors are also contending with an apparent shift in the Federal Reserve’s path toward interest-rate cuts, with Chair Jerome Powell signaling last week that it’s going to take the bank “longer than expected” to be sure that inflation is under control.

Copper climbed as much as 1.1% early Monday to reach \$9,988 a ton, before trading 0.3% higher at \$9,908 at 2:17 p.m. in Shanghai. Other metals were also lower, with zinc falling 1.1% and aluminum down 0.2%.

Iron ore futures in Singapore were flat at \$116.55 a ton after racking up a second weekly advance (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,817	R1	9,977	RSI above 50	Stochastic overbought
S2	9,729	R2	10,116		
S3	9,650	R3	10,187		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (67)
- Stochastic is overbought
- Price is above the daily pivot point USD 9,817
- Technically bullish last week, the futures had held above the EMA support band and the weekly pivot level. We were moving higher; however, the MA on the RSI was flat, implying momentum was neutral. Upside moves above USD 9,640.5 would create a negative divergence with the RSI, not a sell signal, it is warned that we could see a momentum slowdown on a new high, implying caution on upside breakouts. We noted that we may move higher in the near term; however, due to the divergence in play, the futures were not considered a technical buy. The move higher on Thursday warned that we were seeing a wave extension; however, we remained cautious on upside moves, on Friday's close report we noted that lower timeframe oscillators were suggesting that downside moves now looked like they could be countertrend in the near-term. Price is 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 9,817 with the RSI at or below 65 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 9,542 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the 4-hour RSI is still in divergence; however, the MA on the RSI is implying that momentum is supported at this point. We are seeing an Elliott wave extension on the lower timeframe that suggests downside moves look like they could be countertrend in the near-term. A close on the daily candle below the weekly pivot level (USD 9,733) will warn that sell side pressure is increasing, whilst a move below USD 9,542 will imply that the probability of the futures trading to a new high is starting to decrease.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,651	R1	2,665	RSI above 50	Stochastic overbought
S2	2,635	R2	2,727		
S3	2,502	R3	2,795		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (65)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,651
- We remained technically bullish with price above the EMA support band last week. The RSI was holding MA support; however, the MA remained flat, implying momentum was neutral. In theory, downside moves should be considered as countertrend at, based on our intraday Elliott wave analysis. If we did see a close on the daily candle below the weekly pivot level (USD 2,466), it would warn that sell side pressure was increasing. Likewise, a move below USD 2,429 would warn that the probability of the futures trading to a new high would start to decrease, meaning the bullish Elliott wave cycle had a higher chance of failing. The futures continued to move higher with price above the EMA support band, the RSI was above 50 but price and momentum were conflicting, as the RSI is starting to cross its average.
- A close on the 4-hour candle below USD 2,651 with the RSI at or below 64 will mean price and momentum are aligned to the sell side. Likewise, a close above this level with the RSI at or above 68.5 will mean it is aligned to the buy side. Downside moves that hold at or above USD 2,429 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI is implying that momentum is supported; however, the average is starting to flatten a little. Our intraday Elliott wave analysis continues to suggest that downside moves should be considered as countertrend at this point, making USD 2,429 the key support to follow. If broken, then the probability of the futures trading to a new high will start to decrease. A close on the daily chart below USD 2,635 will warn that sell side pressure is increasing, meaning we could see the Fibonacci support zone come under pressure in the near-term.

Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,833	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 (57)
- Stochastic is overbought
- Price is below the daily pivot point USD 2,839
- The upside move last week had breached the USD 2,832 resistance, meaning that the probability of the futures trading to a new low had started to decrease, this is also suggested that we could test the USD 2,897 fractal high. The MA on the RSI was starting to turn higher, but the turn was only slight, meaning momentum is showing signs of light support. Based on our intraday Elliott wave analysis, we maintained our view that downside moves looked to be countertrend. The futures have seen a small move higher but remain below the USD 2,897 fractal resistance. We are above the EMA support band with the RSI above 50, intraday price and momentum are conflicting, as the previous candle closed above the daily pivot level.
- A close on the 4-hour candle above USD 2,803 with the RSI at or above 62 will mean price and momentum are aligned to the buy side; likewise, a close below this level will mean it is aligned to the sell side. Downside moves that hold at or above USD 2,606 will support a bull argument, below this level the technical will have a neutral bias.
- Technically we remain bullish with the futures selling slightly lower on the open. The upside move on the 19/04/24 means we have a near-term minor divergence in play. Not a sell signal, it is warning that we could see a momentum slowdown. A close on the daily candle below USD 2,812 will imply that sell side momentum is increasing, making USD 2,606 the key support to follow, below this level the probability of the futures trading to a new high will start to decrease. We are vulnerable to a near-term pullback whilst the minor divergence is in play; however, based on our intraday Elliott wave analysis, downside moves continue to look like they could be countertrend. If we trade above USD 2,897 before seeing a pullback, it will mean that there is a larger divergence in play. In theory, the futures need to trade to a new high.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	18,843	R1	19,125	RSI above 50	Stochastic overbought
S2	18,803	R2			
S3	18,572	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 19,145
- Technically bullish with a neutral bias last week, the futures had held above the USD 17,493 support, resulting in a move higher. We had seen a close above the weekly pivot level (USD 18,005), if we held above this level then we could see the USD 18,756 resistance come under pressure. We noted that this was a key level as it looked like we had already completed a bull cycle, implying upside moves could be countertrend. Having held key support, if we traded above the USD 18,756 level, it would warn that there was potentially a larger bull cycle in play. The MA on the RSI was flat, indicating that momentum was neutral. We remained cautious on upside moves at this point based on the depth of the initial pullback. The futures traded above the USD 18,756 level, resulting in the futures trading to new highs, meaning there is a larger bull cycle in play. We are moving lower this morning but remain above all key moving averages with the RSI above 50. Intraday price and momentum are aligned to the buy side, as the previous candle close was above the daily pivot level.
- A close on the 4-hour candle below USD 19,145 with the RSI at or below 61.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 18,259 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the new high means that there is a larger bullish Elliott cycle in play, implying downside moves should now be considered as countertrend. The MA on the RSI is indicating that momentum is supported at this point, with price above the weekly pivot level (USD 18,843). A close on the daily candle below this level will warn that sell side pressure is starting to increase, warning Fibonacci support levels could come under pressure in the near-term. Key support is at USD 18,259, a close below this level will mean that the probability of the futures trading to a new high will have started to decrease.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,178	R1	2,192	RSI above 50	Stochastic overbought
S2	2,164	R2			
S3	2,153	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (55)
- Stochastic is overbought
- Price is below the daily pivot point USD 2,198
- Technically bullish last week, the futures had held key support with price producing a bullish close back above the weekly pivot level previously, warning that the USD 2,198 fractal high was starting to look vulnerable. If broken, then we had the potential to trade as high as USD 2,228. However, 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. The futures have traded to a new high with price above all key moving averages supported by the RSI above 50. A move lower on the open means price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,198 with the RSI at or above 60.5 will mean price and momentum are aligned to the buyside. Downside moves that held at or above USD 2,164 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the new high means we are now in divergence with the RSI. Not a sell signal, it is a warning that we could see a momentum slowdown, which will need to be monitored. Intraday Elliott wave analysis is suggesting that we have the potential to trade as high as USD 2,259 within this phase of the cycle (target revised higher). If we close on the daily candle below the weekly pivot level (USD 2,190), it will imply sell side pressure is increasing, warning the USD 2,164 support could come under pressure. If this level is broken, then the probability of the futures trading to a new high will start to decrease. A cautious bull due to the divergence.