

Metals

(Bloomberg) -- President Donald Trump ordered a 25% tariff on steel and aluminum imports, escalating his efforts to protect politically important US industries with levies hitting some of the country's closest allies.

The tariffs will apply widely to all US imports of steel and aluminum, including from Canada and Mexico, among the country's top foreign suppliers of the metals. The levies, which also include finished metal products, are meant to crack down on what administration officials said were efforts by countries like Russia and China to circumvent existing duties.

Trump cast the effort as one that would help bolster domestic production and bring more jobs to the US, and warned that the rate on metal tariffs "may go higher." The new rates will take effect on March 12, at 12:01 am Washington time, according to a pair of proclamations issued by the White House late Monday.

"It's going to mean a lot of businesses are going to be opening in the United States," Trump said Monday as he signed the measures in the Oval Office.

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The announcement of Trump's metals tariffs comes about a week after he added a 10% duty on all Chinese imports. Economists warn that higher border taxes paid by American importers risk raising costs for everything from groceries to gasoline — potentially stoking the very inflationary pressures the president campaigned on quelling.

US administration officials counter, however, that the levies are part of a broader economic strategy — including extended tax cuts and expanded domestic energy production — that will help lower costs overall.

Retaliation, Costs

Goldman Sachs Group Inc. said Trump's plan to impose 25% tariffs on steel and aluminum imports will largely be passed through to US prices, if no major trading partners are exempted.

Trump's tariffs will also provoke trading partners including the European Union to retaliate against American exports.

In response to Trump's steel and aluminum tariffs, European Commission President Ursula von der Leyen said Tuesday in a statement that "unjustified tariffs on the EU will not go unanswered — they will trigger firm and proportionate counter-measures."

In a speech, German Chancellor Olaf Scholz said if the US "leaves us no other choice, then the European Union will react to this as one. As the largest market in the world with 450 million citizens, we have the strength to do so."

The EU should be able to retaliate quickly if the US follows through on its threat. The bloc suspended tariffs on about \$3 billion of American products in 2021 after it reached a deal with the Biden administration on steel and aluminium imports. It could quickly reinstitute those duties, which targeted iconic products including Harley-Davidson Inc. motorcycles and Levi Strauss & Co. jeans.

Copper Morning Technical (4-hour)



| | Support | Resistance | Current Price | Bull | Bear |
|----|---------|------------|---------------|--------------|------|
| S1 | 9,294 | R1 | 9,451 | RSI above 50 | |
| S2 | 9,222 | R2 | 9,513 | | |
| S3 | 9,123 | R3 | 9,604 | | |

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (61)
- Stochastic is below 50
- Price is below the daily pivot point USD 9,451
- Technically bullish yesterday, the MA on the RSI implied that momentum was supported, whilst the RSI was testing its average, if it closed below it, then it would warn that we could be about to enter a corrective phase. We noted that the upside move had struggled to hold above the daily 200-period MA (USD 9,451), warning we could see an intraday move lower, a close above that held above the average on the daily chart would imply that higher timeframe buy-side pressure was increasing, further supporting a buyer's argument. Elliott wave analysis indicated downside moves should be considered as countertrend; however, if we did trade below USD 9,123 then the probability of the futures trading to a new high would start to decrease.
- The futures remain below the daily 200-period MA (USD 9,450); however, we 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 9,451 with the RSI at or above 68 will mean price and momentum are aligned to the buy-side. Downside moves that hold at or above USD 9,123 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, with price and momentum aligned to the sell side the futures have now entered a corrective phase, making USD 9,123 the key support to follow. A move below this level will warn that the probability of the futures trading to a new high has started to decrease. A close on the daily chart below USD 9,387 will warn sell side pressure is increasing, meaning we could see USD 9,294 – USD 9,123 Fibonacci support zone be tested. As noted previously, our intraday Elliott wave analysis suggests that downside moves should be considered as countertrend.

Aluminium Morning Technical (4-hour)



| Support | Resistance | Current Price | Bull | Bear |
|---------|------------|---------------|--------------|-----------------------|
| S1 | R1 | 2,663 | RSI above 50 | Stochastic overbought |
| S2 | R2 | | | |
| S3 | R3 | | | |

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (61)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,646
- The futures remained bullish with a neutral bias yesterday. As noted last week, if we closed above and held above the linear regression line (USD 2,647) it would suggest that resistance levels could be tested and broken. We had seen a small rejection of the LRL, which was not considered as definitive, meaning we remained at an inflection point.
- The futures have closed above the linear regression line, resulting in the USD 2,653 resistance being tested and broken, the intraday technical is back in bullish territory. 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 2,646 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 2,563 will support a bull argument, below this level the technical will have a neutral bias. Note: the USD 2,563 support is back in play due to the move above USD 2,653.
- Technically bullish, as noted last week, holding above the linear regression line (LRL) takes precedence over the breach in the USD 2,653 resistance. If we fail to hold above the LRL it will warn that the EMA support band and potentially the Fibonacci support zone could come under pressure. We highlight this as the upside move on the open has created a negative divergence with the RSI on the 1-hour timeframe, meaning we are looking vulnerable to an intraday pullback.

Zinc Morning Technical (4-hour)



| Support | Resistance | Current Price | Bull | Bear |
|---------|------------|---------------|--------------|------|
| S1 | R1 | 2,847 | RSI above 50 | |
| S2 | R2 | | | |
| S3 | R3 | | | |

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (54)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,843
- We remained bullish based on price yesterday with the futures holding above the USD 2,830 level (Linear Regression Line -LRL), meaning the USD 2,890 resistance remained vulnerable. If broken, then the probability of there being a larger, bearish Elliott wave cycle in play would start to decrease. The MA on the RSI implied that momentum was supported, whilst the bearish wave cycle looked like it may have already completed, meaning we remained cautious on moves lower. If we did trade below USD 2,763, then the probability of the futures trading to a new high would start to decrease, warning there could be a larger, bearish wave cycle in play.
- Sideways action yesterday, the futures remain above the LRL (USD 2,826). We are above the EMA resistance band with the RSI above 50, intraday price and momentum are aligned to the sell side, as the previous candle closed below the daily pivot level.
- A close on the 4-hour candle above USD 2,843 with the RSI at or below 58 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 2,763 will support a bull argument, below this level the technical will have a neutral bias. Upside moves that fail at or below USD 2,890 will warn that there could be a larger bearish wave cycle in play (I.E. a wave extension).
- Bullish based on price, the RSI is now below its average, which is starting to flatten, warning buy side pressure is weakening. If we close back below the LRL (USD 2,826) it will warn that the Fibonacci support zone could come under pressure, making USD 2,763 the key support to follow. If broken, then the probability of the futures trading to a new high will start to decrease. Our Elliott wave analysis suggests that the bearish wave cycle looks to have completed; however, whilst below the USD 2,890 the futures will remain vulnerable to downside wave extensions. Although bullish, the weakening momentum is a concern, as it is warning we could see the futures come under pressure.

Nickel Morning Technical (4-hour)



| Support | Resistance | Current Price | Bull | Bear |
|---------|------------|---------------|---------------------|--------------|
| S1 | R1 | 15,450 | Stochastic oversold | RSI below 50 |
| S2 | R2 | | | |
| S3 | R3 | | | |

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is above 50 (61)
- Stochastic is overbought
- Price is above the daily pivot point USD 15,626
- Technically bullish yesterday, the MA on the RSI was starting to flatten, implying buy-side momentum was weakening. However, our lower timeframe Elliott wave analysis continued to suggest that downside moves should be considered as countertrend, making USD 15,317 the key support to follow. If broken, then the probability of the futures trading to a new high would start to decrease. We remained cautious on downside moves at that point.
- The futures have seen a strong move lower on the weakening momentum. We are 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 15,626 with the RSI at or above 58.5 will mean price and momentum are aligned to the buy-side. Downside moves that hold at or above USD 15,317 will support a bull argument, below this level the technical will have a neutral bias. Likewise, upside moves that fail at or below USD 15,715 will warn that there is further downside within this corrective phase.
- Technically bullish but in a corrective phase, the MA on the RSI is implying that momentum is weak. The downside move yesterday means the futures are below the 200-period MA (USD 15,556); failure to close back above the average will warn that the USD 15,317 support could be tested and broken. If it is, then the probability of the futures trading to a new high will start to decrease. The strong move lower yesterday and the weakening momentum are warning the USD 15,317 support could be tested and broken.

Lead Morning Technical (4-hour)



| Support | Resistance | Current Price | Bull | Bear |
|---------|------------|---------------|--------------|------|
| S1 | R1 | 1,986 | 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 (52)
- Stochastic is below 50
- Price is below the daily point USD 1,992
- Technically bullish but with a neutral bias yesterday, below USD 1,985 the technical would be bearish. The move lower on the divergence suggested that support levels were vulnerable. However, if we held above the USD 1,964 level it would warn that there could be a higher timeframe Elliott wave cycle in play.
- The futures continue to sell lower on the divergence with the technical now in bearish territory. We 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 1,992 with the RSI at or above 58.5 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 1,964 will warn that there could be a higher timeframe bullish wave cycle coming into play.
- Technically bearish, the MA on the RSI continues to imply that momentum is weak. A close on the daily candle below USD 1,996 will indicate that sell side pressure is increasing on the higher timeframe, warning the USD 1,694 support could be tested and broken. If it is, then the probability of there being a larger bullish wave cycle in play will start to decrease, meaning the USD 1,935 fractal support could be tested and broken.

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