

## Metals

Bloomberg) -- Metals including aluminum and copper declined as moves by US President Donald Trump to restrict Chinese investments undermined market sentiment, with raw materials losing ground along with local equities.

Aluminum dropped for a third day on the London Metal Exchange, extending a retreat from the highest level since May touched last week. Chinese stocks sank after the US took aim at Beijing, with Trump telling a key government committee to curb Chinese spending on tech, energy and other strategic American sectors. China is the largest consumer of industrial metals.

Most metals had gained ground this year — with copper still up about 8% — despite moves by the Trump administration to shake up the global trading system with tariffs, as well as resetting foreign-policy priorities. The president's latest directive was the most forceful move yet, and points toward a deepening financial and technological decoupling between the two largest economies.

Steel-making staple iron ore also took a knock amid the China tensions, as well as the growing number of trade barriers being imposed on steel. Vietnam became the latest country to impose anti-dumping tariffs on Chinese products, part of a wave of overseas shipments spurred by China's slowdown and property crisis.

Aluminum traded 0.9% lower at \$2,632.50 a ton on the LME at 11:24 a.m. in Singapore, while copper was down for the third day, set for its worst run since mid-December. In Singapore, iron ore dropped 1.5% to \$106.80 a ton, and yuan-priced contracts in Dalian were also down.

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,496	R1	9,573		RSI below 50
S2	9,310	R2	9,614		
S3	9,176	R3	9,697		

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- The RSI above 50 (49)
- Stochastic is below 50
- Price is below the daily pivot point USD 9,510
- Technically bullish yesterday, the futures were testing the linear regression line (USD 9,496), we noted that a close below that held below this level would target the base of the bullish intraday support candle from Friday (USD 9,454); if broken, it would warn that sell side pressure was increasing, leaving support levels vulnerable. Likewise, if the USD 9,496 level held, and we traded above the USD 9,575 fractal resistance, we would target the USD 9,684.5 fractal high. As noted previously, our Elliott wave analysis continued to suggest that downside moves should be considered as countertrend, making USD 9,176 the key support to follow.
- The futures are trading below the Linear Regression line (USD 9,514) with price testing but still above the USD 9,454 level. We are between the EMA support band with the RSI near-neutral at 49, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 9,510 with the RSI at or above 57 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 9,176 will warn that there is potentially a larger, bullish Elliott wave cycle coming into play.
- Technically bullish but in a corrective phase, the MA on the RSI implies that momentum is weak. Price is testing but holding above the low of the intraday bullish rejection candle (USD 9,454), if broken, it will warn that sell side pressure is increasing. Likewise, a close back above that holds above the linear regression line (USD 9,514) will imply that the technical condition is improving. As noted previously, our Elliott wave analysis continued to suggest that downside moves should be considered as countertrend, making USD 9,176 the key support to follow.

# Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,636.5	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Source Bloomberg

## Synopsis - Intraday

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (43)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,657
- Technically bullish but in a corrective phase yesterday, the MA on the RSI implied that momentum was weak. The futures had closed below the linear regression line USD 2,676, if we held below it, then the USD 2,635 Fibonacci support would begin to look vulnerable. Below this level the probability of the futures trading to a new high would start to decrease. The technical condition had weakened; however, our intraday Elliott wave analysis did suggest that downside moves should be considered as countertrend. Upside moves that failed at or below USD 2,708 would warn that there is further downside within this corrective phase.
- We have continued to sell lower with price breaching the USD 2,635 support, meaning the probability of the futures trading to a new high has started to decrease. We are below 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 2,657 with the RSI at or above 55 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 2,698 will warn that there is further downside within this corrective phase, above this level the technical will be back in bullish territory.
- Technically bullish with a neutral bias, the probability of the futures trading to a new high has started to decrease. The MA on the RSI is indicating that momentum remains weak at this point, suggesting resistance levels should in theory hold if tested. However, near-term price action is approaching the USD 2,638 level, which is the most heavily traded area in the last 30-days, meaning it has the potential to act as a support. Price is just below 1-standard deviation from the linear regression line (USD 2,638), a close on the 4-hour candle back above this level will warn that resistance levels could come under pressure in the near term. We have a note of caution on downside moves at these levels; however, the technical is warning that the Fibonacci resistance zone should hold if tested in the near-term.

# Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,834	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Source Bloomberg

## Synopsis - Intraday

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (41)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,872
- Technically bullish but in a corrective phase yesterday, lower timeframe Elliott wave analysis suggested that downside moves look like they could be countertrend, making USD 2,785 the key support to follow. If broken, then the probability of the futures trading to a new high will start to decrease. The futures were in the process of rejecting the daily 200-period MA (USD 2,927), we noted that this was a benchmark average and warned that support levels were vulnerable. Upside moves that fail to held above the average would warn that the intraday upside move had potentially terminated. This technical was now vulnerable, for upside continuation, we needed to close above and hold above the USD 2,927 level.
- The futures failed to hold above the 200-period MA (USD 2,926) resulting in price selling lower. The lower timeframe Elliott wave cycle has now failed due to the breach in the USD 2,830 support, meaning the intraday technical is bearish based on price. We are below 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 2,872 with the RSI at or above 55 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 2,785 will support a longer-term bull argument, below this level the probability of there being a larger, bullish Elliott wave cycle in play will start to decrease.
- Technically bearish, the MA on the RSI implies that momentum is weak, suggesting resistance levels should hold if tested. We have sold over 3.5% lower in the last 3 sessions, with price now approaching the linear regression line at USD 2,819, warning we could find intraday support here, as we also have the 50% Fibonacci retracement at USD 2,823. If we close on the 4-hour candle below and hold below USD 2,819 it will leave the USD 2,785 support vulnerable; this is a key support, if it holds, it will warn that there is a larger, bullish Elliott wave cycle in play. Although we are cautious on moves higher due to the momentum weakness, the futures are on support, leaving them vulnerable to a move higher.

# Nickel Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	15,355	R1	15,471	15,375	Stochastic oversold	RSI below 50
S2	15,280	R2	15,725			
S3	15,157	R3	15,875			

**Synopsis - Intraday**

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (44)
- Stochastic is oversold
- Price is below the daily pivot point USD 15,471
- Technically bullish yesterday. We had breached key support and resistance within two session, suggesting we are lacking clear directional bias, implying neutrality. However, the upside move on the open had produced a dominant bull candle, for downside continuation, the futures would need to close below the low of this candle (USD 15,470). Failure to do so would leave resistance levels vulnerable.
- The futures have sold lower resulting in a 4-hour candle close below the USD 15,470 level. We are below the EMA resistance 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 15,471 with the RSI at or above 53.5 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 15,662 will leave the futures vulnerable to further tests to the downside.
- Technically bullish with a neutral bias, the probability of the futures trading to a new high has started to decrease. The MA on the RSI implies that momentum is weak, whilst the close below the dominant bull candle and the breach in the USD 15,441 level imply support levels are looking vulnerable. We now have a note of caution on upside moves, as the weakening momentum suggests resistance levels should hold if tested.

# Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	1,984	R1	1,984	RSI above 50	Stochastic overbought
S2	1,973	R2			
S3	1,958	R3			

Source Bloomberg

## Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (58)
- Stochastic is overbought
- Price is above the daily point USD 1,993
- Technically bullish yesterday, the RSI is making a new high, we noted that if we closed above the RSI resistance it would mean the 4-hour divergence had failed. However, we were in divergence on the lower timeframes, which would need to be monitored. We had a note of caution on moves higher on Friday, the holding of the USD 1,984 level and the potential divergence failure did warn that the USD 2,020.5 fractal high could be tested and broken. This would confirm that the futures are on a bullish Elliott wave 5, but brought the longer-term divergence back into play, meaning we maintained a note of caution on upside breakouts above USD 2,020.5.
- The RSI failed to close above its high, resulting in price selling lower on the initial divergence. The futures have now traded below the USD 1,985 support, meaning the technical is bearish based on price. 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 1,993 with the RSI at or above 54 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 2,003 will leave the futures vulnerable to further tests to the downside. Likewise, downside moves that hold at or above USD 1,994 will warn that there is a larger, bullish Elliott wave cycle in play.
- Technically bearish, the MA on the RSI implies that momentum is weak, warning resistance levels should hold if tested. This is supported by the RSI making a new low, as it implies upside moves should be considered as countertrend at this point, warning support levels are starting to look vulnerable.

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