FIS Base Morning Technical Report

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(New York Times) -- President Trump imposed a 25 percent tariff on metal imports, sparking new global trade spats as he attempts to shield the U.S. economy from foreign competition.

Follow the latest news on the Trump administration.

President Trump's sweeping tariffs on foreign steel and aluminum went into effect on Wednesday, inviting immediate retaliation from the European Union and escalating tensions with other trading partners reeling from his on-and-off approach to steep trade penalties.

Mr. Trump's tariffs of 25 percent hit metal imports from every country that sells steel and aluminum to the United States.

Many domestic steel and aluminum makers support the move, saying it will help protect their industry against foreign competitors. But the tariffs are expected to raise costs for American businesses that use foreign metals, including manufacturers of cars, canned food and drinks, solar panels and other products.

Some trading partners have vowed to retaliate by issuing levies aimed at hurting U.S. exporters. Canada, a major supplier of metal in the United States, said that it would impose new retaliatory tariffs on $20 billion worth of American imports, including metals, computers and sporting goods. And the European Union swiftly announced tariffs on up to $28 billion worth of American goods, including bourbon, boats and motorcycles.

Those conflicts could spiral into even bigger trade wars. Asked on Wednesday if he would retaliate against the E.U. tariffs, Mr. Trump said, “Of course I will respond.”

Many other governments — like Japan, Australia, Mexico, Brazil and Britain — chose not to react, at least for now, for fear of worsening relations and the impact on their own economies. Those countries are also girding for the next round of Mr. Trump's tariffs on April 2, when the president has said he will impose tariffs on foreign cars and countries that he says discriminate against the United States.

Mr. Trump's recent trade moves have rocked stock markets and exacerbated concerns about the economy. Stock markets shifted between gains and losses on Wednesday as investors weighed concerns about tariffs against better-than-expected inflation data for February. Analysts have warned that Mr. Trump's sweeping plan for tariffs could push inflation higher in the future and slow the economy.

On Monday, Goldman Sachs slashed its 2025 economic growth forecasts for the United States to 1.7 percent from 2.4 percent, citing adverse trade policy.

“This may be the calm C.P.I. report before the storm,” said Seema Shah, chief global strategist at Principal Asset Management, referring to the inflation data. She said that, with tariff policies, the inflation picture could potentially get “uglier as the months go on.”

The action on metals is just the latest attempt by Mr. Trump to leverage the power of tariffs and the American market against foreign governments. Last week, he issued steep tariffs on imports from Canada, Mexico and China, blaming those countries for the entry of drugs and migrants into the United States, before quickly paring some of the tariffs back.

Mr. Trump's approach has sent many U.S. allies into a defensive mode as they try to figure out how to mollify the president while also protecting their own industries. On Tuesday, Mr. Trump threatened to double the tariffs on Canadian metal after the province of Ontario responded to his previous tariffs by putting a surcharge on electricity exported to the United States. Within hours, Ontario had suspended its surcharge, and Mr. Trump walked back his threats.

The steel and aluminum tariffs restore and expand similar steps that Mr. Trump put in place in 2018, which ushered in several long-running trade spats. Mr. Trump argued that the tariffs were needed to protect national security and provide a reliable source of metal for the military in wartime.

But the metal tariffs mainly affect U.S. allies: Canada is by far the largest supplier of both steel and aluminum to the United States. Brazil, Mexico, South Korea and Vietnam also ship the United States significant amounts of steel, while the United Arab Emirates and China send the United States aluminum.

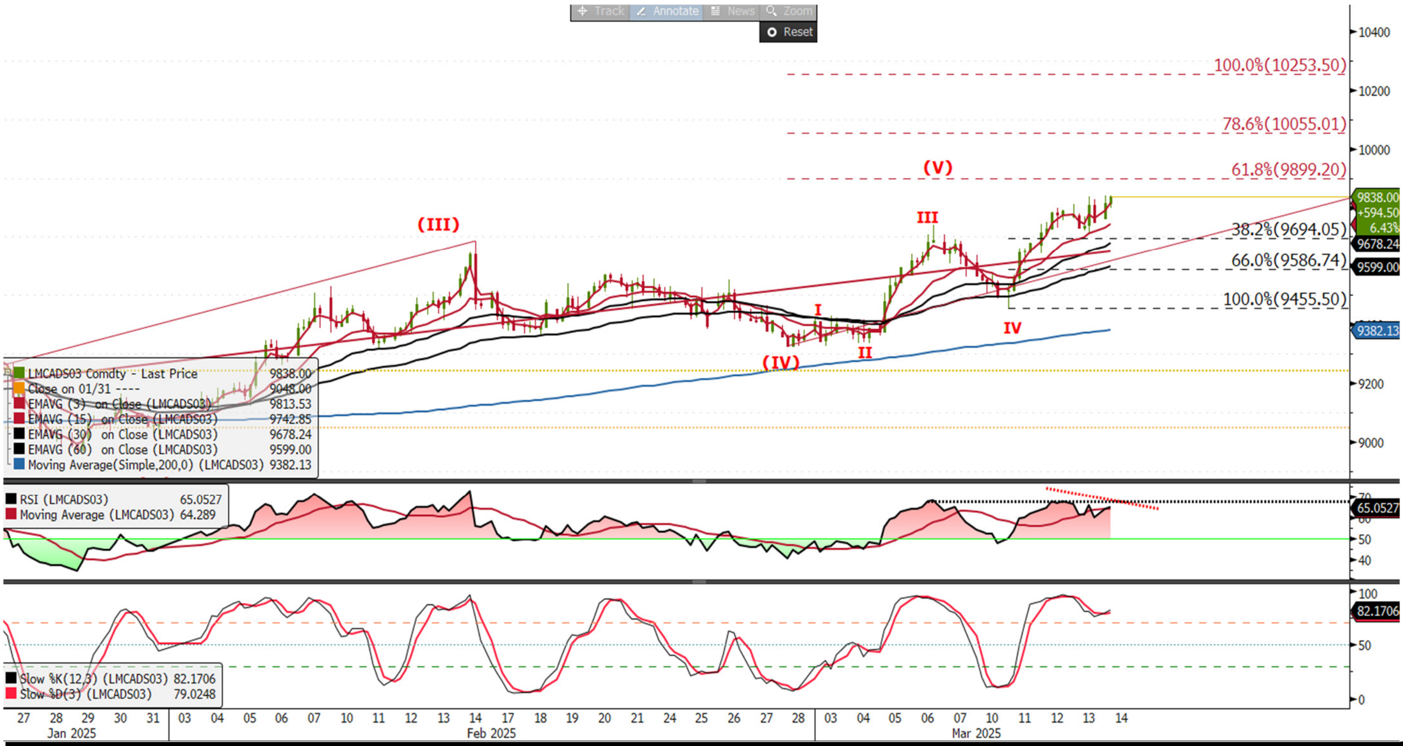
Since Mr. Trump first issued the tariffs in 2018, both he and former President Joseph R. Biden Jr. made deals with foreign countries, including Brazil, Mexico, Canada and the European Union, that whittled away at the tariffs. The U.S. metals industry has complained that the measures were no longer strong enough to keep steel mills and aluminum smelters afloat.

U.S. Steel, one of the country's sole surviving makers of primary steel, has warned that it will need to shut down plants and lay off workers unless it finds a more deep-pocketed acquirer. The chief executive of Cleveland Cliffs, the country's other primary steel maker, said that last year had been “the worst year for domestic steel demand” in over a decade.

“Things would be, without those tariffs, much worse for the industry,” said Kevin Dempsey, the president of the American Iron and Steel Institute, an industry group.

Because steel and aluminum are used to make so many other products, however, tariffs that raise the price of the metals have consequences for many other manufacturers, and for the U.S. economy.

Copper Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	9,833	R1	9,899	9,838	RSI above 50	Stochastic overbought
S2	9,694	R2	10,055			
S3	9,586	R3	102,53			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (65)
- Stochastic is overbought
- Price is above the daily pivot point USD 9,838
- Technically bullish yesterday, the MA on the RSI implied that momentum was supported at that point; however, there remained a marginal divergence in play, warning we could see a momentum slowdown. There was a chance that we could still see an Elliott wave extension, if we did, then downside moves would be considered as countertrend; however, we maintained a note of caution on upside moves due to the divergence. A close on the 4-hour candle below the low of the last dominant bull candle (USD 9,725) would warn that the Fibonacci support zone could come under pressure. If we did trade below the USD 9,576 level, then the probability of the futures trading to a new high will start to decrease.
- The futures remain supported with price continuing to trade to new highs. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 9,838 with the RSI at or above 66.5 will mean price and momentum are aligned to the buyside; likewise, a close below this level with the RSI at or below 62 will mean it is aligned to the sell side. Downside moves that hold at or above USD 9,586 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI is flat, indicating momentum is slowing down. However, both the higher and lower timeframe Elliott wave cycle are in divergence, not a sell signal it is a second (and third) warning that we are seeing a momentum slowdown. We are cautious on upside moves at these levels, as the futures are vulnerable to a technical pullback. Corrective moves that trade below USD 9,586 will warn that the probability of the futures trading to a new high has started to decrease.

Aluminium Morning Technical (4-hour)

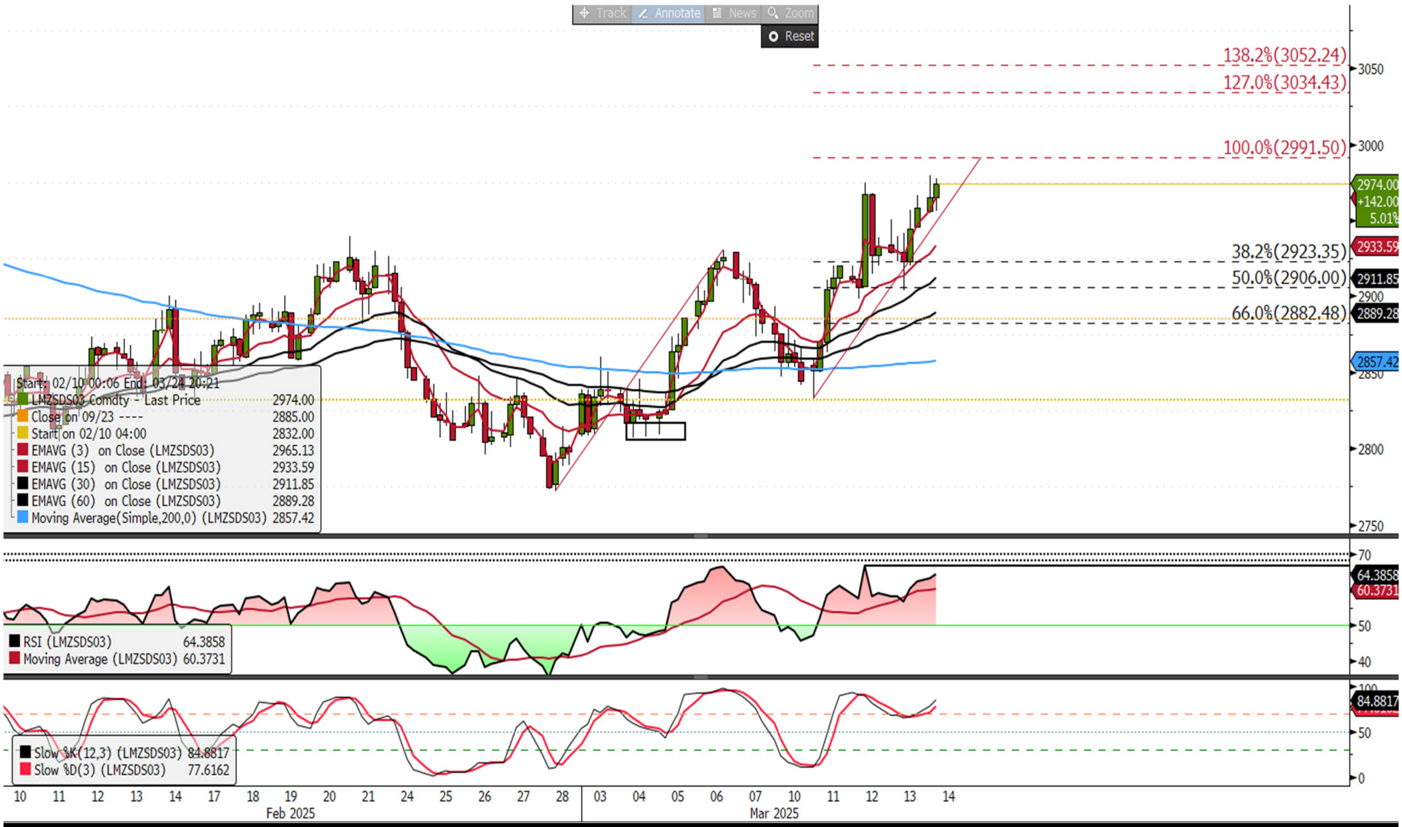
Support		Resistance		Current Price	Bull	Bear
S1	2,692	R1	2,705	2,699	RSI above 50	
S2	2,676	R2	2,713			
S3	2,661	R3	2,726			

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA Support band (Black EMA's)
- RSI is above 50 (54)
- Stochastic is above 50
- Price is below the daily pivot point USD 2,692
- Technically bullish yesterday, the downside move previously had produced a bearish rejection candle on the daily timeframe; however, we remained above the Linear regression line (USD 2,688) at that point. A close below that held below the line will warn that the USD 2,684 support could be tested and broken, if it was, then the probability of the futures trading to a new high would start to decrease. Conversely, if we remained above the linear regression line, then it would imply there was an underlying support in the market. We were seeing signs of technical weakness, however price needed to brake the linear line for downside continuation.
- We had a bit of everything yesterday, the futures traded below and closed below the linear regression line, resulting in the USD 2,669 fractal support being tested and broken. However, the corrective move has failed to hold, resulting in price trading and closing above the linear regression line (USD 2,691), and breaching the USD 2,705 resistance. The break in fractal support means price action is bearish, the breach in the resistance means it is now neutral. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,692 with the RSI at or above 59 will mean price and momentum are aligned to the buyside; likewise, a close below this level will mean it is aligned to the sell side. Downside moves that hold at or above USD 2,641 will warn that there could be a larger bullish wave cycle in play.
- Technically bearish with a neutral bias, the probability of the futures trading to a new low has started to decrease, whilst price is back above the linear regression line. However, the MA on the RSI is implying momentum is weak, whilst the breach in the USD 2,669 fractal support indicates that the lower timeframe Elliott wave cycle has completed. If we trade to a new high from here, then it will indicate there is a larger bull cycle in play, as will a downisde moves that holds above the USD 2,661 support. Based on the information in front of me, I am very cautious on upside moves at these levels due to the fractal break.

Zinc Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	2,943	R1	2,991	2,974	RSI above 50	Stochastic overbought
S2	2,923	R2	3,034			
S3	2,906	R3	3,052			

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA Support band (Black EMA's)
- RSI is above 50 (64)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,943
- Technically bullish yesterday, the MA on the RSI implied that momentum was supported. The RSI did reject its resistance zone yesterday on the 4-hour timeframe; however, our lower timeframe wave analysis suggested momentum has made a new high; the momentum break was very marginal but now warns that downside moves could potentially be countertrend, making USD 2,880 the key support to follow. A move below this level would warn that the probability of the futures trading to a new high would start to decrease.
- The futures traded to a low of USD 2,903.5 before finding bid support and trading to a new high. 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 2,943 with the RSI at or below 60 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,880 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the move lower yesterday failed to hold as momentum had made a new high previously; however, the upside move to a new high this morning means we are now in divergence with the RSI on the 4-hour and lower timeframe charts. Not a sell signal it is a warning that we could see a momentum slowdown, which will need to be monitored, for this reason, we are cautious on upside moves at these levels.

Nickel Morning Technical (4-hour)

Support		Resistance		Current Price	Bull	Bear
S1	16,522	R1	16,787	16,725	RSI above 50	
S2	16,199	R2	16,893			
S3	16,025	R3	16,957			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (60)
- Stochastic is above 50
- Price is below the daily pivot point USD 16,522
- Technically bullish yesterday, the MA on the RSI continued to suggest that momentum remained weak, whilst the upside move had failed to hold due to the divergence in play, warning support levels were vulnerable in the near-term. However, as noted previously, higher timeframe Elliott wave analysis continued to suggest that downside moves should be considered as countertrend. If we did trade below USD 15,789, then the probability of the futures trading to a new high would start to decrease.
- We traded to a low of USD 16,360 before finding bid support, resulting in price testing but not yet above the USD 16,770 fractal high. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are conflicting, as the RSI closed on its MA on the previous candle close.
- A close on the 4-hour candle above USD 16,522 with the RSI at or above 61.5 will mean price and momentum are aligned to the buyside. Likewise, a close below this level with the RSI at or below 57 will mean it is aligned to the sell side. Downside moves that hold at or above USD 15,788 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the pullback yesterday failed to produce an oscillator cross on the lower timeframe, meaning we are yet to see the countertrend move that we are looking for; if we trade to a new high it will be a bullish extension of the lower timeframe cycle. However, we remain cautious on upside breakouts above USD 16,770, as it will create further negative divergences with the RSI.

Lead Morning Technical (4-hour)

Support		Resistance		Current Price	Bull	Bear
S1	2,073	R1	2,102	2,077.5	RSI above 50	Stochastic overbought
S2	2,060	R2	2,114			
S3	2,038	R3	2,126			

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (62)
- Stochastic is overbought
- Price is above the daily point USD 2,073
- Technically bullish yesterday, the futures had entered a small corrective phase; however, the MA on the RSI suggested that we had light momentum support at that point. Intraday Elliott wave analysis continued to suggest that downside moves should be considered as countertrend, making USD 2,036 the key support to follow. If we did trade below this level, then the probability of the futures trading to a new high would start to decrease.
- The downisde move failed to hold due to the momentum support, resulting in price trading to a new high. We a rejection of the upside this morning; however, we remain above all key moving averages supported by the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,073 with the RSI at or above 69 will mean price and momentum are aligned to the buyside; likewise, a close below this level will mean it is aligned to the sell side. Downside moves that hold at or above USD 2,038 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the futures are coming under light pressure due to a negative divergence in play. Not a sell signal, it warns that we could see a momentum slowdown which needs to be monitored. However, higher timeframe Elliott wave analysis suggests downside moves should be considered as countertrend, making USD 2,038 the key support to follow. If broken, then the probability of price trading to a new high will start to decrease.