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(Bloomberg) -- Copper traded near a five-month high after China vowed to revive consumption in the world's largest consumer of the metal.

The government unveiled a special action plan over the weekend aimed at spurring demand. Consumption in the country grew faster at the start the year, helping offset the impact of US President Donald Trump's tariffs that are putting pressure on Chinese exporters. Retail sales increased 4% in the first two months, exceeding forecasts.

The industrial metal has risen around 12% this year as Trump's tariffs add volatility to a market that's grappling with a mine supply shortfall. Still, China's embattled property sector, a pillar for metals demand, is yet to bottom out. Chinese new-home prices fell at a quicker pace last month, despite authorities' efforts to prop up the market.

Read More: [China Maps Out Plan to Raise Incomes and Boost Consumption](#)

Copper rose 0.3% to \$9,810.50 a ton on the London Metal Exchange as of 8:01 a.m. local time after being up as much as 0.7% earlier. Prices hit \$9,850 on Friday, the highest since October.

Aluminum climbed 0.3% to \$2,690.50 a ton as the shares of China Hongqiao Group Ltd., one of the world's biggest producers of the metal, surged to a record on a jump in profits.

Chinese aluminum production rose 2.6% to 7.32 million tons in the first two months, or a record high of 124,068 tons a day, according to government data. That pointed to resilience from smelters, who are enjoying higher margins due to rising product prices.

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,809	R1	9,899	RSI above 50	
S2	9,699	R2	10,055		
S3	9,589	R3	102,53		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (60)
- Stochastic is above 50
- Price is above the daily pivot point USD 9,797
- Technically bullish yesterday, the MA on the RSI was flat, indicating momentum was slowing down. However, both the higher and lower timeframe Elliott wave cycles were in divergence with the RSI, not a sell signal it was a second (and third) warning that we were seeing a momentum slowdown. We were cautious on upside moves at those levels, as the futures were vulnerable to a technical pullback. Corrective moves that traded below USD 9,586 would warn that the probability of the futures trading to a new high had started to decrease.
- The futures remain supported with price trading to a high of USD 9,850. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the sell side, as the last candle closed below the daily pivot level.
- A close on the 4-hour candle above USD 9,797 with the RSI at or above 64.5 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 9,589 will support a bull argument, below this level the technical will have a neutral bias.
- Unchanged on the technical this morning, the futures remain supported (based on price); however, the MA on the RSI is warning we have light momentum weakness, whilst price is still in divergence with the RSI. Not a sell signal, it is a warning that we could see a momentum slowdown, making USD 9,589 the key support to follow. A move below this level will mean that the probability of price trading to a new high will start to decrease. We remain cautious on moves higher at these levels.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,688	R1	2,692.5	RSI above 50	
S2	2,676	R2			
S3	2,661	R3			

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA Support band (Black EMA's)
- RSI is above 50 (52)
- Stochastic is below 50
- Price is above the daily pivot point USD 2,688
- Technically bearish with a neutral bias on Friday, the probability of the futures trading to a new low had started to decrease, whilst price was back above the linear regression line. However, the MA on the RSI implied that momentum was weak, whilst the breach in the USD 2,669 fractal support indicated that the lower timeframe Elliott wave cycle had completed. We noted that if we traded to a new high, then it would indicate there was a larger bull cycle in play, as would a downside move that held above the USD 2,661 support. Based on the information in front of me, I was very cautious on upside moves at those levels due to the fractal break.
- The futures had a small move lower on Friday with price finding light bid support this morning, We are above the EMA support 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 2,688 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 2,641 will warn that there could be a larger bullish wave cycle in play.
- We remain bearish with a neutral bias, whilst the MA on the RSI implies that momentum is weak. The futures are testing the linear regression line (USD 2,692), a close above that holds above the line will support a near-term bull argument, warning resistance level could come under pressure; if we do trade above the USD 2,726 fractal high, then it will indicate that there is a larger, bullish wave cycle in play. Conversely, a rejection of the linear line will warn that the USD 2,666.5 fractal support could be tested and broken. As noted last week, the break in the USD 2,669 fractal support indicates that the lower timeframe Elliott wave cycle has completed, meaning we are cautious on moves higher at these levels, despite the breach in the USD 2,705 level.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,932	R1	2,991	RSI above 50	Stochastic overbought
S2	2,913	R2	3,034		
S3	2,887	R3	3,052		

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA Support band (Black EMA's)
- RSI is above 50 (60)
- Stochastic is overbought
- Price is on the daily pivot point USD 2,974
- Technically bullish on Friday, the move lower previously failed to hold, as momentum had made a new high. However, the upside move to a new high meant that we were now in divergence with the RSI on the 4-hour and lower timeframe charts. Not a sell signal it warned that we could see a momentum slowdown, which needed to be monitored, for this reason, we were cautious on upside moves at these levels.
- Having traded to a high of USD 2,994.5 the futures have since seen a small pullback. We remain above all key moving averages supported by the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 2,974 with the RSI at or below 59 will mean price and momentum are aligned to the sell side. Likewise, a close above this level with the RSI at or above 63.5 will mean it is aligned to the buy side. Downside moves that hold at or above USD 2,887 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI implies that momentum is neutral whilst the futures are 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. We maintain a cautious view on moves higher at these levels; if price and momentum become aligned to the sell side, then support levels will start to look vulnerable.

Nickel Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	16,563	R1	16,780	16,620	RSI above 50	
S2	16,208	R2	16,995			
S3	16,032	R3	17,161			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (56)
- Stochastic is above 50
- Price is above the daily pivot point USD 16,563
- Technically bullish on Friday, the pullback previously failed to produce an oscillator cross on the lower timeframe, meaning we were yet to see the countertrend move that we are looking for; if we trade to a new high it would be a bullish extension on the lower timeframe cycle. However, we remained cautious on upside breakouts above USD 16,770, as it would create further negative divergences with the RSI.
- The futures traded to a high of
- 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 buy side. 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.
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Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	16,563	R1	16,620	RSI above 50	
S2	16,208	R2			
S3	16,032	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (56)
- Stochastic is above 50
- Price is above the daily pivot point USD 16,563
- Technically bullish on Friday, the pullback previously failed to produce an oscillator cross on the lower timeframe, meaning we were yet to see the countertrend move that we are looking for; if we traded to a new high it would be a bullish extension on the lower timeframe cycle. However, we remained cautious on upside breakouts above USD 16,770, as it would create further negative divergences with the RSI.
- The futures traded to a high of USD 16,770 (breaking the previous high by USD 10); however, the move failed to hold, resulting in a small move lower. We remain above the EMA support band with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 16,563 with the RSI at or above 58.5 will mean price and momentum are aligned to the buy side. Likewise, a close below this level with the RSI at or below 54 will mean it is aligned to the sell side. Downside moves that hold at or above USD 15,793 will support a bull argument, below this level the technical will have a neutral bias.
- The technical remains bullish; however the RSI continues to move lower despite the futures trading to new highs, meaning we remain vulnerable to a corrective move lower. As noted previously, we maintain our view that downside moves should be considered as countertrend due to the bullish Elliott wave extension. With price still in divergence, the technical warns that support levels could come under pressure in the near-term.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,077.5	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 (64)
- Stochastic is overbought
- Price is above the daily point USD 2,073
- Technically bullish on Friday, the futures were coming under light pressure due to a negative divergence in play. Not a sell signal, it warned that we could see a momentum slowdown which needed to be monitored. However, higher timeframe Elliott wave analysis suggested that 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 would start to decrease.
- The futures traded to a low of USD 2,063; however, price is moving higher again this morning. 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 2,073 with the RSI at or above 67 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 2,038 will support a bull argument, below this level the technical will have a neutral bias.
- Unchanged on the technical this morning, the MA on the RSI implies that we have light momentum weakness, whilst the futures remain in divergence with the RSI. The technical suggests caution on upside breakouts as they could struggle to hold. We maintain our view based on the higher timeframe Elliott wave cycle that downside moves should be considered as countertrend at this point, making USD 2,038 the key support to follow. If broken, then the probability of the futures trading to a new high will start to decrease.

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