

Metals

(Bloomberg) -- Iron ore and base metals advanced as data showed China's manufacturing activity improved, aiding prices even as President Donald Trump prepares to intensify a US-led trade war this week.

Futures of the steelmaking staple rose after Caixin's manufacturing purchasing managers' index for March climbed to 51.2, the strongest reading in four months. Any figure above 50 indicates an expansion of activity. The data point was largely in line with an official survey released on Monday.

Traders — including those in industrial commodities — are waiting for details this week of Trump's latest bid to reshape the global trade order. An announcement on a slew of so-called reciprocal tariffs is due in Washington on Wednesday, potentially spurring a wave of retaliatory measures.

While iron ore ended the first quarter little changed, a broad gauge of base metals traded in London climbed by more than 7%. Investors have been grappling with the impact of the Trump administration's moves on trade — including a potential US import levy on copper — as well as weighing the outlook for growth in China, the largest metals consumer.

Both of the Chinese surveys showed that the industrial sector was benefiting from tariff front-running and fiscal support, with infrastructure spending ramping up, Julian Evans-Pritchard, an analyst at Capital Economics, said in a note. "It won't be long before US tariffs turn from being a tailwind to being a drag, however," he added.

Copper Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	9,758.5	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- The RSI below 50 (43)
- Stochastic is oversold
- Price is above the daily pivot point USD 9,733
- Technically bearish yesterday, we maintained our view that upside moves should be considered as countertrend. However, we had a minor divergence with the RSI on the 4-hour candle (this was more prominent on the 1-hour timeframe). Not a buy signal it warned that we could see a momentum slowdown, leaving the futures vulnerable to an intraday move higher in the very near-term, making USD 10,018 the key resistance to follow. If broken, then the probability of the futures trading to a new low would start to decrease.
- The futures continued to sell lower yesterday with price trading down to USD 9,679.5; however, we noted on the close report that the 1-hour RSI remained in divergence whilst price was testing the daily EMA support band, meaning we remained cautious on lower moves into the EU close. We have opened supported this morning with price trading back at yesterday mornings levels. We remain below the EMA support band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 9,733 with the RSI at or above 44.5 will mean price and momentum are aligned to the buy side. Likewise, a close below this level with the RSI at or below 40 will mean it is aligned to the sell side. Upside moves that fail at or below USD 9,999 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the futures are finding bid support on the 1-hour divergence with price holding daily EMA support band, leaving the technical vulnerable to an intraday move higher. Price and momentum are conflicting; however, our lower timeframe Elliott wave analysis suggests that upside moves should be considered as countertrend, making USD 9,999 the key resistance to follow. If broken, then the probability of futures trading to a new low will start to decrease.

Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	2,531	R1	2,547	RSI below 50 Stochastic oversold
S2	2,512	R2	2,588	
S3	2,491	R3	2,607	

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA Resistance band (Black EMA's)
- RSI is below 50 (33)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,539
- Unchanged on the technical yesterday, we remained bearish with the MA on the RSI implying momentum was weak. We did have a minor divergence on the 4-hour timeframe which was more prominent on the 1-hour chart, warning we were vulnerable to an intraday move higher. However, our intraday Elliott wave analysis continued to suggest that upside moves should be considered as countertrend, making USD 2,639 the key resistance to follow. If broken, then the probability of the futures trading to a new low would start to decrease.
- The futures sold to a low of USD 2,525 before finding light bid support on the 1-hour divergence, leaving price just below yesterday mornings levels. We are below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,539 with the RSI at or above 30 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,634 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the downside move yesterday resulted in a close below the daily 200-period MA (USD 2,547); however, the intraday futures remain in divergence with the RSI. Not a buy signal it is a warning we could see a momentum slowdown, meaning we are cautious on moves lower in the near-term whilst the divergence is in play. If we fail to close on the daily chart above USD 2,547, it will leave the technical vulnerable to further downside; likewise, a close back above the average will indicate there is an underlying support in the market. We are cautious on moves lower at these levels due to the divergence, but our intraday Elliott wave analysis suggests that upside moves should be considered as countertrend, making USD 2,634 the key resistance to follow. If broken, then the probability of price trading to a new low will start to decrease. The futures need to close above the daily 200-period MA, otherwise the divergence is likely to fail.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,847	R1	2,877		
S2	2,823	R2	2,883		RSI below 50
S3	2,787	R3	2,901		

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (41)
- Stochastic is below 50
- Price is above the daily pivot point USD 2,847
- Technically bearish yesterday, the MA on the RSI continued to imply that momentum remained weak. We maintained our view based on Elliott wave analysis that upside moves should be considered as countertrend, making USD 2,927 the key resistance to follow. If broken, then the probability of the futures trading to a new low would start to decrease. We were in divergence with the RSI on the 1-hour timeframe; not a buy signal, it warned that we could see a momentum slowdown, meaning we have a note of cautious on moves lower at those levels in the near-term.
- The futures have seen a move higher; however, we remain below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,847 with the RSI at or below 34 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,925 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, intraday Elliott wave analysis continues to imply that upside moves look to be countertrend. We have now entered the corrective move higher; however, price is below the 200-period MA (USD 2,877). Upside moves that close above and hold above the average will warn that resistance levels could come under pressure in the near-term, making USD 2,925 the key level to follow. If broken, then the probability of the futures trading to a new low will start to decrease. Likewise, a rejection of the MA will warn that the USD 2,826 fractal low can be tested and broken.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	16,076	R1	16,145	Stochastic oversold	RSI below 50
S2	15,905	R2			
S3	15,763	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (47)
- Stochastic is oversold
- Price is below the daily pivot point USD 16,076
- Technically bullish yesterday, the rejection of the USD 16,502 level warned that there was a larger Elliott wave corrective phase in play, implying the USD 15,965 support was vulnerable. Key support to follow was at USD 15,763, as our Elliott wave analysis continues to suggest that downside moves should be considered as countertrend. If this level was broken, then the probability of the futures trading to a new high would start to decrease, warning the larger bullish Elliott wave cycle could fail.
- The futures sold to a low of USD 15,905 before finding bid support on the Asian open. We remain below the EMA resistance band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 16,076 with the RSI at or above 51 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. Upside moves that fail at or USD 16,284 will warn that there is further downside within this corrective phase, above this level will imply that the USD 16,480 fractal resistance could be tested and broken. Downside moves that hold at or above 15,763 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish but in a corrective phase. Having traded to a new low the futures have seen a strong move higher off the 200-period MA (USD 15,914). If we reject the USD 16,284 resistance it will warn that the USD 15,905 support could come under pressure. However, this is a strong bull candle on the open, implying there is an underlying support in the market. Based on the Elliott wave analysis, we maintain a note of caution on downside moves.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,006.5	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (35)
- Stochastic is oversold
- Price is below the daily point USD 2,017
- The futures remained bullish with a neutral bias yesterday with the MA on the RSI implying momentum was weak. However, below USD 2,015 would mean that price was in divergence with the RSI, warning we could see a momentum slowdown, meaning we are cautious on downside breakouts in the near-term. We were neutral on the technical due to the lack of clarity on the Elliott wave cycle, but cautious on moves lower.
- The futures have continued to sell lower, we remain below all key moving averages supported by the RSI below all 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,017 with the RSI at or above 40.5 will mean price and momentum are aligned to the buyside. Upside move that fail at or below USD 2,064 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the MA on the RSI is now in divergence on the 4-and-1-hour timeframes, meaning we are now cautious on moves lower at these levels.

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