



# NICKEL 3M-LME



**Technical Analysis:** LME 3M forward prices are currently hovering in a symmetrical triangle formation consisting of 5 corrective wave patterns. Market has breached the trend line resistance at \$19100 levels (connecting both B and D waves) and currently trading above the same suggesting an upside movements in the short term. As per the earlier count market ended the intermediate wave (1) at \$21325 levels and there after took a long consolidation for the past 6 months by ending the intermediate (2) around \$16975 levels which is corrective wave E. We expect impulse intermediate wave (3) to begin on break of \$19100 levels.

**Outlook:** We expect Nickel future prices to trade higher and recommend buying on break of 915 levels at MCX.

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**Factor to watch for**

- Miners to raise output forecast- eyeing higher demand for this silvery white metal
- Upcoming demand from the stainless steel sector, the prime user of Nickel
- It was the best performer in January 2010 losing meager 0.13% against others losing between 7%-18%.
- Vales to resume mining and production at the Sudbury Mines, Ontario in Canada, which were idle since August 1<sup>st</sup>. 2009 due to strikes

**Recommendation:**

**Buy on break above 915 targeting 970 then 1040 with stoploss below 860**

