

News

China

China's inflation moderated in May as global commodity prices cooled and consumer demand weakened, leaving room for authorities to ease monetary policy and add stimulus to shore up the economy.

The producer price index rose 6.4% last month from a year earlier, the weakest pace since March 2021, National Bureau of Statistics data showed Friday. That compares to 8% growth in April, and it was in line with economists' expectations.

Consumer prices, meanwhile, rose 2.1%, just under the median forecast of a 2.2% increase in a Bloomberg survey of economists, and unchanged from April. (Bloomberg)

CU

Copper fell for a second day as fears over monetary tightening and slower growth hit sentiment, while fresh virus flare-ups in Shanghai cast doubt on China's recovery.

Investors are awaiting key US inflation data later today that will feed into the Federal Reserve's discussions on interest rates next week. The European Central Bank's plan to bring the curtain down on years of ultra-loose monetary policy stirred investor anxiety on Thursday. (Bloomberg)

ALU

Aluminum prices will plunge 20% toward \$2,300/ton by December as demand slows and supplies rise in warehouses around the world, Harbor Intelligence said Thursday at its annual industry conference, according to a Bloomberg report. (Bloomberg)

ZN

China's refined zinc output was 515,200 mt in May, an increase of 19,700 mt or 3.97% MoM and a increase of 4.16% YoY, SMM data showed. From January to May 2022, the combined refined zinc output is estimated to be 2.483 million mt, a decrease of 1.09% year on year, basically meeting expectations (SMM)

NI

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Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,527	R1	9,547	Stochastic oversold	RSI below 50
S2	9,474	R2			
S3	9,384	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (46)
- Stochastic is oversold
- Price is below the daily pivot point
- The futures remain in a corrective phase with price trading lower yesterday, resulting in the bullish support window (Gap) being closed. We are trading below the EMA support band (black lines) which have now starting to flatten, indicating the trend is less stable. The RSI is below 50 with intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 9,646 with the RSI at or above 55.50 will mean price and momentum are aligned to the buyside. However, upside moves that fail at or below USD 9,712 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 9,805.50 fractal resistance (High).
- Corrective moves lower that hold at or above 9,527 will support a bull argument, below this level the futures will have a neutral bias, only below USD 9,384 will the intraday technical be bearish.
- Technically bullish but in a corrective phase, the RSI is below 50 but its moving average is at 56, suggesting momentum is supported at this point, making key support levels to follow at USD 9,527 and USD 9,384.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,744	R1	2,788	RSI below 50	Stochastic oversold
S2	2,712	R2	2,800		
S3	2,679	R3	2,816		
			2,752		

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (41)
- Stochastic is oversold
- Price is below the daily pivot point 2,787
- Yesterday we noted that the upside move had traded up to but not above the USD 2,851 resistance, leaving the futures vulnerable to a technical pullback. Price has failed to hold above the EMA resistance band and has since moved lower, the RSI is below 50 with intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,787 with the RSI at or above 48.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below the USD 2,816 – USD 2,851 resistance zone will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- The futures have traded below the USD 2,764 support, meaning we now target the USD 2,720 – USD 2,679 support zone.
- As noted yesterday intraday Elliott wave analysis suggested we still had the potential to test the USD 2,720 low. Our wave analysis remains unchanged.
- Technically bearish, caution on a move below USD 2,720 as we have the potential to create a positive divergence on a new low. Not a buy signal it does warn that we have the potential to see a momentum slowdown below this level.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,690	R1	3,754	Stochastic oversold	RSI below 50
S2	3,637	R2			
S3	3,582	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (42)
- Stochastic is oversold
- Price is below the daily pivot point USD 3,775
- As previously noted, the deep pullback on the 07/06 meant the technical had re-entered bear territory. The upside move failed to hold above the EMA resistance band on both the daily and intraday charts, warning of technical weakness. However, both bands remain compressed meaning the downside trend is not considered as stable at this point. The RSI is below 50 with intraday price and momentum aligned to the sell side.
- A close on the 4-hour candle above USD 3,775 with the RSI at or above 48 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 3,878 will warn of further technical weakness; however, Elliott wave analysis would suggest the intraday technical remains bearish below USD 4,065.
- Downside moves below USD 3,690 have a near-term target at USD 3,582 with the potential to test the USD 3,451 fractal low.
- Technically bearish with the RSI making a new low, suggesting near-term support levels are looking vulnerable.

Nickel Morning Technical (4-hour)



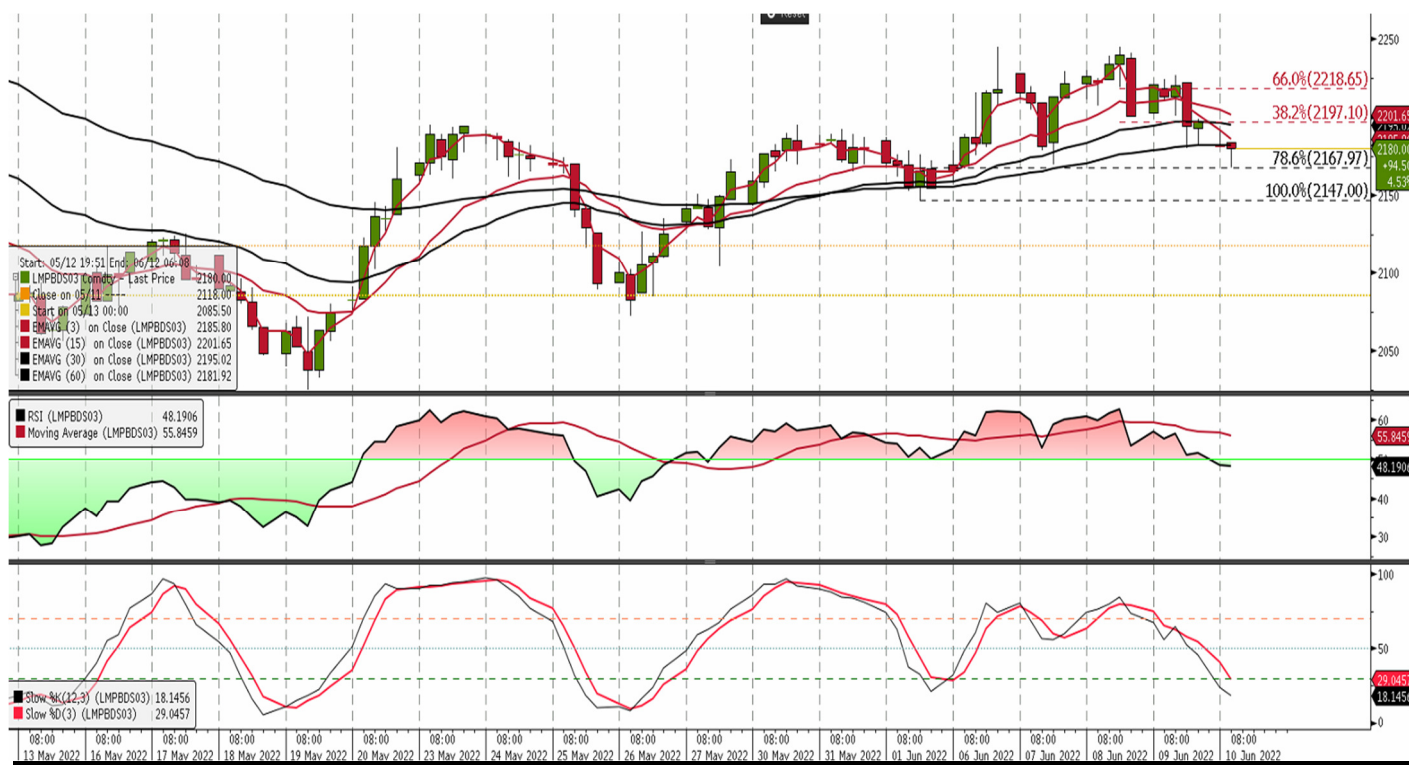
Support	Resistance	Current Price	Bull	Bear
S1	R1	27,930	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (47)
- Stochastic is oversold
- Price is below the daily pivot point (USD 28,199)
- Price is trading below the EMA resistance band; however, these are flat and compressed indicating a lack of trend in the market. The RSI is below 50 with intraday price and momentum aligned to the sell side.
- A close on the 4-hour candle above USD 28,199 with the RSI at or above 55.5 will mean price and momentum are aligned to the buyside.
- Upside moves that fail at or below 31,090 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Downside moves below USD 27,600 will target the USD 27,025 and USD 26,050 support levels.
- Technically bearish but with a neutral bias based on the flat EMA's, market volumes remain low.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,167	R1	2,180	Stochastic oversold	RSI below 50
S2	2,147	R2			
S3	2,104	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (48)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,201
- The futures have trade below but not closed below the hanging man candle on the daily chart (USD 2,170) if we do it will warn of the potential for further technical weakness. The futures are trading below the base of the EMA support band (Black lines) with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,201 with the RSI at or above 58 will mean price and momentum are aligned to the buyside.
- The technical is bullish but the deep pullback means we have a neutral bias, warning the USD 2,167 and USD 2,147 support levels could come under pressure in the near-term.
- Upside moves that fail at or below USD 2,218 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 2,245 high. Likewise, above the USD 2,245 high (double top – hanging man) the futures will be technically bullish. Due to the depth of the RSI pullback, it is hard to tell if we will now create a negative divergence on a new high.
- Technically bullish but with a neutral bias, if the RSI moves above and holds above the 50 level momentum will be vulnerable to a test to the upside.

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