

## News

### U.S.

FOMC Rate decision—Consensus is now for a 75 basis point hike.

### China

China's labor market worsened in May with a record number of young people out of work and joblessness in major cities surging to an all-time high.

While the government reported a drop in the nationwide urban unemployment rate -- to 5.9% in May from 6.1% in the previous month -- several other gauges show a dire situation.

The jobless rate for those between the ages of 16-24 -- which captures graduates from school and college -- rose slightly to 18.4%, the highest level since the data was first released in 2018. The rate is more than three times over-all unemployment. (Bloomberg).

### CU

Copper rose from its lowest close in a month after slightly better-than-expected figures on China's economy, and ahead of the Federal Reserve's rates decision later Wednesday.

Industrial output in China rose 0.7% from a year ago in May, beating forecasts for a decline and pointing to a modest pick-up for the nation's struggling economy. But retail sales slumped -- although slightly less than anticipated -- and a prolonged slump in home sales deepened. (Bloomberg).

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,221	R1	9,297	Stochastic oversold	RSI below 50
S2	9,123	R2	9,328		
S3	8,938	R3	9,381		

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA Resistance band (Black EMA's)
- RSI is below 50 (40)
- Stochastic is oversold
- Price is above the daily pivot point USD 9,221
- The futures remain technically bearish with price trading to a low of USD 9,135 into the U.S. close, before rallying higher on the Asian open. Price is below the EMA resistance band supported by the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 9,221 with the RSI at or below 35 will mean price and momentum are aligned to the sell side.
- Upside moves that fail at or below USD 9,297 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 9,381 is the intraday technical bullish.
- The upside move on yesterday open failed to hold (MA on RSI was sloping lower); however, the downside move into the close has created a positive divergence with the RSI. Not a buy signal it does warn of the potential to see a momentum slowdown. The moving average on the RSI is now starting to flatten implying downside momentum is slowing.
- Technically bearish, but with price and momentum to the buyside; alongside the positive divergence we have a 5- wave pattern lower, again warning that this downside move looks like it has the potential to exhaust soon.

# Aluminium Morning Technical (4-hour)



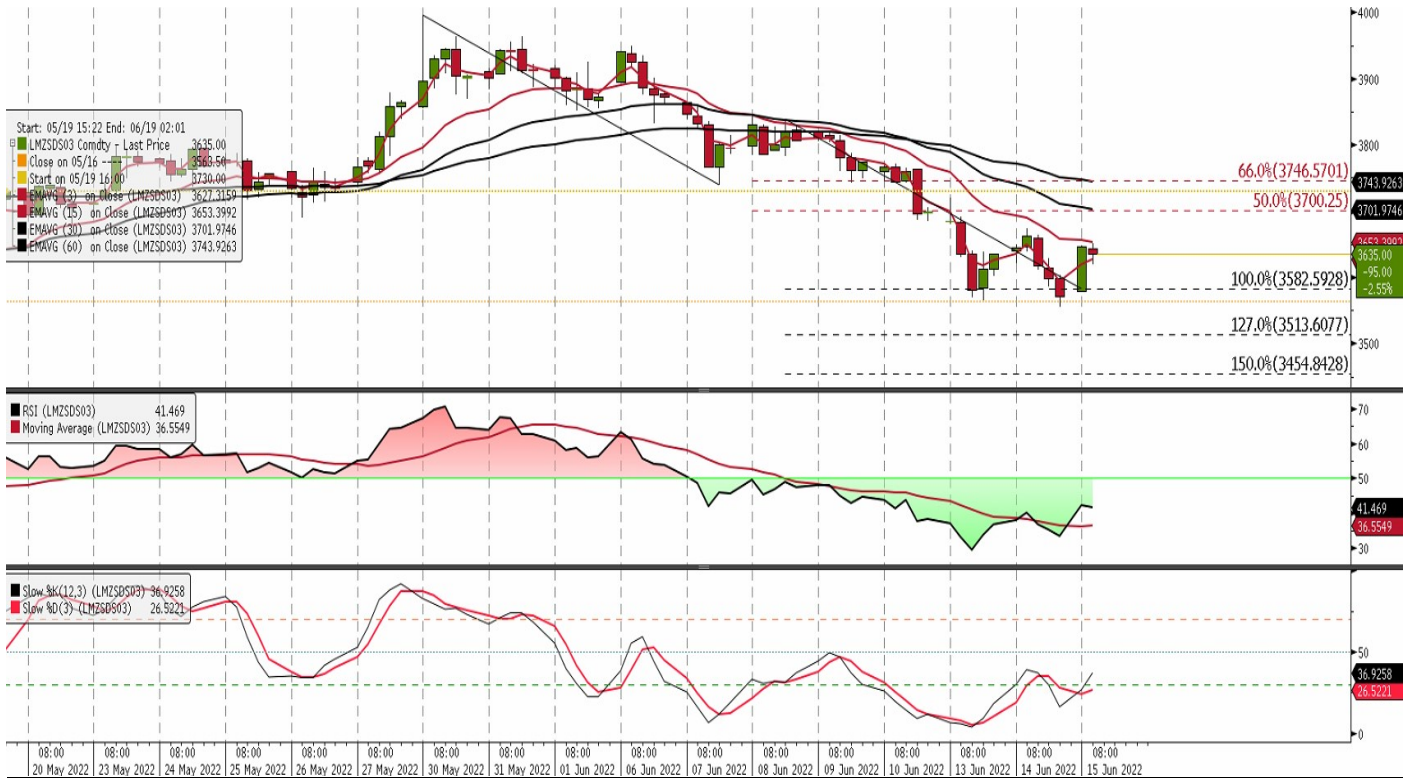
	Support	Resistance	Current Price	Bull	Bear
S1	2,556	R1	2,668	RSI below 50	Stochastic oversold
S2	2,497	R2	2,703		
S3	2,434	R3	2,750		

Source Bloomberg

## Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (32.5)
- Stochastic is oversold
- Price is below the daily pivot point 2,587
- As noted yesterday the futures remained technically bearish with our wave analysis suggesting that upside moves should be considered as countertrend. The futures did move low with price trading to a low of USD 2,556. Price is below the EMA resistance band supported by the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,587 with the RSI at or above 33 will mean price and momentum are aligned to the buy side; likewise, a close below this level with the RSI at or below 28.5 will mean it is aligned to the sell side. Upside moves that fail at or below USD 2,750 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the RSI on the EMA is starting to flatten, whilst the daily RSI maintains a marginal divergence, warning we have the potential to see upside resistance levels be tested.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	3,582	R1	3,635	Stochastic oversold	RSI below 50	
S2	3,513	R2				3,700
S3	3,454	R3				3,746

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (41.5)
- Stochastic is oversold
- Price is above the daily pivot point USD 3,599
- As noted on the morning report yesterday, resistance levels were expected to hold if tested, the futures failed at the USD 3,671 resistance, resulting in price trading to new lows, before rallying on the Asian open. Price is 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 3,599 with the RSI at or below 34.5 will mean price and momentum are aligned to the sell side. Upside moves above USD 3,673 will create a new high on the intraday, meaning it will be bullish.
- Yesterdays low at USD 3,555 has created a positive divergence with the RSI resulting in the futures moving higher on the open.
- Technically bearish with a neutral bias, the upside move on the back of the positive divergence is implying that the USD 3,673 fractal resistance is looking vulnerable. If broken the intraday technical is bullish.

# Nickel Morning Technical (4-hour)



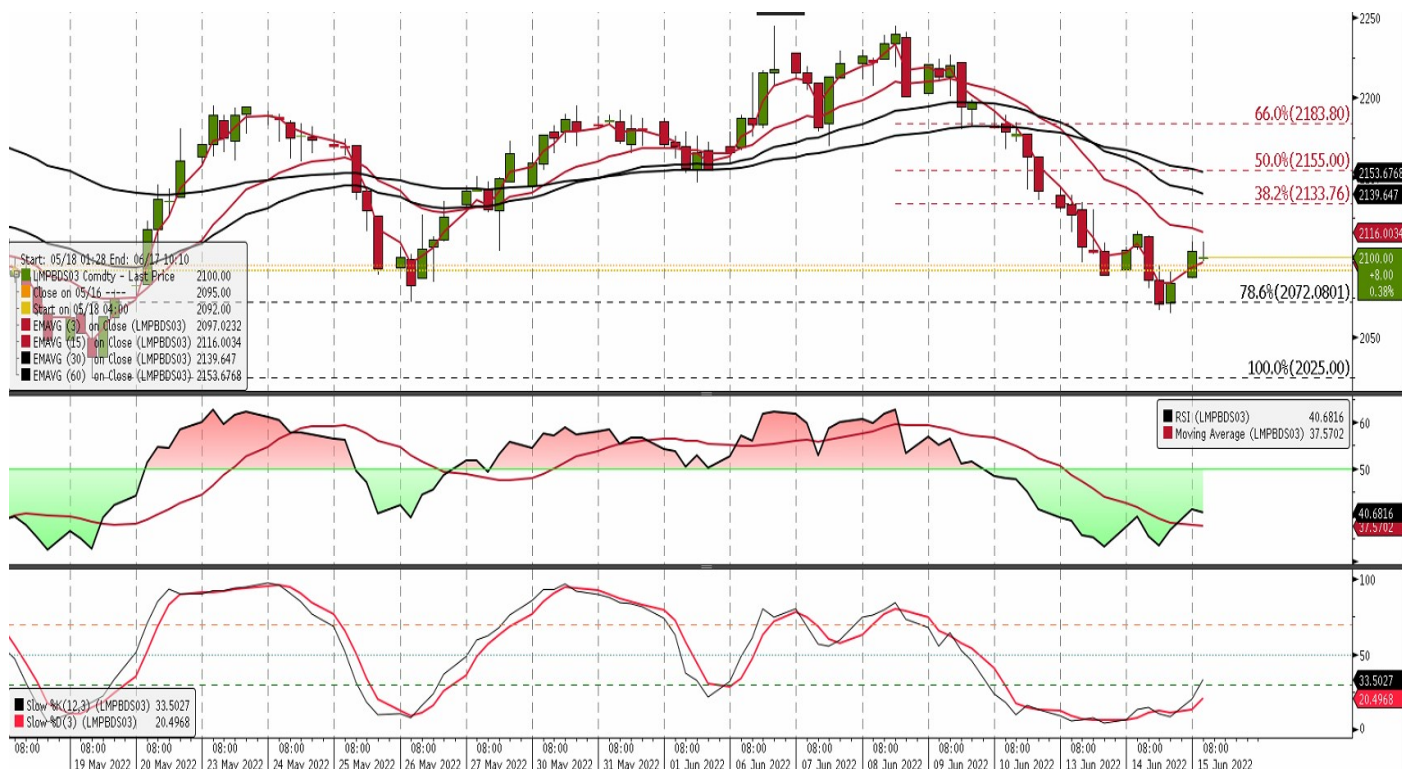
	Support	Resistance	Current Price	Bull	Bear
S1	25,041	R1	25,259	Stochastic oversold	RSI below 50
S2	23,528	R2			
S3	21,600	R3			

## Synopsis - Intraday

Source Bloomberg

- 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 25,471
- Technically bearish yesterday with near-term support at USD 25,041, the futures traded to a low of USD 25,105. Price is below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 25,471 with the RSI at or above 43 will mean price and momentum are aligned to the buy side. However, upside moves that fail at or below USD 28,375 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically we remain unchanged, the futures remain bearish with the RSI in divergence with price, not a buy signal it is warning we have the potential to see a momentum slowdown soon and needs to be monitored.

# Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,088	R1	2,133	Stochastic oversold	RSI below 50
S2	2,072	R2	2,155		
S3	2,025	R3	2,183		

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (40.5)
- Stochastic is oversold
- Price is above the daily pivot point USD 2,088
- Technically bearish yesterday with resistance levels expected to hold, the futures traded below the USD 2,072 support before rallying on the Asian open. Price is below the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,088 with the RSI at or below 37.5 will mean price and momentum are aligned to the buyside. We now have a fractal resistance at USD 2,116.50, upside moves above this level will mean the intraday futures are in bull territory.
- The futures have moved higher on the back of a positive divergence, meaning we now have a neutral bias; downside moves below the USD 2,065 low will target the USD 2,025 support. However, below this level will create a second positive divergence, from a technical perspective the futures would not be considered a sell on a downside breakout.
- Technically bearish but with a neutral bias, there are warning signs that upside resistance levels could be tested.

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