

## News

### China

The onshore yuan falls on dollar purchases by state-run banks, according to traders. The 14-day money-market rate, which covers the month-end period, rises to the highest since May.

USD/CNY gains 0.1% to 6.6970 after falling 0.3% earlier in the session

USD/CNH rises 0.1% to 6.6946(Bloomberg).

### CU

Copper resumed a decline to trade near the lowest level in nine months, as concerns around US growth increased and the impact of China's anti-Covid curbs lingered. Zinc rebounded following production cuts in southern China.

Goldman Sachs Group Inc. economists cut their US growth forecasts and see a 30% probability of entering a recession over the next year, up from 15% previously. In China, the latest Covid-19 outbreaks are hitting its southern coast, with a flareup in technology hub Shenzhen triggering mass testing and a lockdown of some neighborhoods, while gambling enclave Macau has also been impacted.

Global growth fears are dominating the copper market, which is seen as a barometer of economic health. The market has shrugged off risks looming as Codelco, the world's top copper producer, faces worker protests in Chile that could disrupt supplies (Bloomberg)

### AU

Aluminium prices on Tuesday increased by 1.04 per cent to Rs 217.90 per kilogram in futures trade as speculators built up fresh positions amid a positive trend in spot market.

On the Multi Commodity Exchange, Aluminium contracts for June delivery increased by Rs 2.25 or 1.04 per cent to Rs 217.90 per kg in a business turnover of 2,245 lots.

Analysts said fresh positions created by traders amid demand from consumer industries supported aluminium prices in futures market. (Bloomberg).

### ZN

China's refined zinc output is expected to drop to 484.5kt this month, down 6% vs May and 4.6% year on year, after flooding hit power supplies to smelters in the southern province of Guangxi, researcher Shanghai Metals Market says, citing their survey.

Heavy rain has affected power supplies at Nandan county in Guangxi

Zinc smelters in the province have about 550kt annual operational capacity, or 8% of country's total (Bloomberg)

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,815	R1	8,934	Stochastic oversold	RSI below 50
S2	8,672	R2	9,025		
S3	8,491	R3	9,086		

## 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 pivot point USD 8,934
- Technically bearish but with a neutral bias, the positive divergence alongside a 5-wave pattern lower had warned the USD 9,381 resistance was looking vulnerable. The upside moves traded to a high of USD 9,343 before moving lower with price trading down to USD 8,830 yesterday. Price is below all key moving averages supported by the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 8,934 with the RSI at or above 38.5 will mean price and momentum are aligned to the buyside. Likewise, a close below this level with the RSI at or below 34 will mean it is aligned to the sell side.
- Upside moves that fail at or below USD 9,168 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Having moved lower the futures continue to create a positive divergence with the RSI; however, the divergence is now marginal but does warn we still have the potential to see a momentum slowdown at these levels, meaning we maintain our view that from a technical perspective the futures are not considered a sell at these levels.

# Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,479	R1	2,544	RSI below 50	
S2	2,434	R2	2,565		
S3	2,401	R3	2,592		

Source Bloomberg

## Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (40)
- Stochastic is below 50
- Price is above the daily pivot point 2,516
- As noted on the last report our intraday Elliott wave analysis warned that the futures were vulnerable to one more test to the downside, resulting in price trading to a new low yesterday. The futures are 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 2,516 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 2,592 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 2,650 is the intraday technical bullish.
- The futures remain in divergence with the RSI, warning we have the potential to see a momentum slow-down, meaning the futures are not considered a technical sell at these levels. Downside moves below USD 2,479.50 will create further positive divergences with the RSI.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,523	R1	3,543	Stochastic oversold	RSI below 50
S2	3,476	R2			
S3	3,402	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below (41)
- Stochastic is oversold
- Price is above the daily pivot point USD 3,523
- As noted on the last report, momentum had warned the futures were vulnerable to a test to the downside supported by the intraday Elliott wave cycle. The futures traded down to new lows yesterday with price below the EMA resistance band, whilst the RSI is below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 3,523 with the RSI at or above 42 will mean price and momentum are aligned to the buy side. Likewise, a close below this level with the RSI at or below 37.5 will mean it is aligned to the sell side.
- Upside moves that fail at or below USD 3,660 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Price is below the EMA resistance band supported by the RSI below 50; however, the new low has created a positive divergence with the RSI, not a buy signal it does warn we have the potential to see a momentum slowdown, suggesting the futures are not considered a technical sell at these levels.

# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	25,671	R1	25,950		RSI below 50
S2	25,041	R2			
S3	23,528	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (43)
- Stochastic is above 50
- Price is above the daily pivot point USD 25,671
- As highlighted on the previous report the futures were technically bearish but in divergence, warning we had the potential to see a momentum slowdown. Price has now started to consolidate with the futures still 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 25,671 with the RSI at or below 38.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 28,137 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Downside moves that trade below the USD 25,105 will create further positive divergences with the RSI. Technically bearish, but not considered a technical sell on a downside breakout.

# Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,070	R1	2,128.5		
S2	2,042	R2	2,151		RSI below 50
S3	2,025	R3	2,171		

## Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is below 50 (49)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,070
- The downside breakout created a second positive divergence resulting in a move to the upside, price is now between the EMA resistance band with the RSI near neutral at 49, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,070 with the RSI at or below 41.5 will mean price and momentum are aligned to the sell side.
- Technically bearish with a neutral bias based on the depth of the pullback, upside moves that trade above USD 2,128.5 will create a higher high in the market, at this point the intraday technical is bullish.
- Price is now between the EMA resistance band which is starting to flatten whilst the RSI is near neutral at 49, supporting a neutral bias in the futures, whilst warning resistance levels could soon be tested.