

News

China

China's Finance Minister Liu Kun said the authorities are planning new policy tools to support the economy, the official Xinhua news agency reports.

The authorities also plans to front-load stimulus, accelerate the implementation of existing policies and enhance the adjustment of their macro policies as part of efforts to keep the economic growth within a reasonable range, he said

China will have to "work hard" to achieve targets in this year's budget as the balance between fiscal income and spending is under pressure amid "rising complexity, severity and uncertainty" in the economy, Liu said (Bloomberg).

CU

Base metals resumed declines -- with copper falling to a 14-month low and tin tumbling -- on mounting concern over a global downturn.

Demand fears are increasing as rapid rate hikes portend a sharp slowdown in the US, while China is still struggling to put the coronavirus behind it. The probability of the world economy succumbing to a recession is nearing 50%, according to Citigroup Inc., while China's finance minister said more pro-growth policies were being considered. (Bloomberg)

AU

According to data released by the General Administration of Customs, China's imports of primary aluminium in May 2022 amounted to approximately 37,304.8 mt, of which 101.2 mt were imported under HS No. 76011010 and 37,203.6 mt under HS No. 76011090.

Imports of primary aluminium in May 2022 rose 6.96% MoM and slumped 61% YoY. Domestic primary aluminium imports from January to May 2022 totalled 168,700 mt, down 71% YoY. (SMM).

NI

According to the General Administration of Customs, China's imports of nickel ore and concentrates in May were 3.84 million mt, an increase of 54.73% month-on-month and a year-on-year increase of 4.59%. Among them, the shipments from China's largest supplier, the Philippines, continued to recover, which rose nearly 80% month-on-month, but was still lower than the same period last year. (SMM)

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,815	R1	8,981		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 below 50
- Price is below the daily pivot point USD 8,981
- The futures moved higher yesterday before selling lower overnight alongside iron ore and Asian equities. Price failed to test the EMA resistance band with the RSI still below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 8,981 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.
- The upside move yesterday failed to trade above USD 9,168 leaving the futures vulnerable to a test to the downside, above this level the technical has a neutral bias. This level remains unchanged.
- Price is now nearing the USD 8,830 low from the 20/06, if we trade below this level it should create a second positive divergence, not a sell signal it does warn we have the potential to see a momentum slowdown, meaning we maintain our view that although technically bearish the futures are not considered a technical sell at this point.

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 above 50
- Price is below the daily pivot point 2,516
- The futures moved higher yesterday to test the EMA resistance band, which is currently holding, resulting in the futures moving a little lower overnight. The RSI is below 50 with intraday price and momentum conflicting as the RSI remains above its moving averages.
- A close below USD 2,535 with the RSI at or below 36.5 will mean price and momentum are aligned to the sell side. Likewise, a close above this level will mean it is aligned to the buy side. Key resistance remains unchanged, 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.
- The futures look like they are in the process of rolling over to the downside; however below USD 2,479.50 the futures will create further divergences. Not a buy signal it does warn that that we have the potential for a momentum slowdown on any downside breakout, this will need to be monitored.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,490	R1	3,536		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 (42)
- Stochastic is above 50
- Price is below the daily pivot point USD 3,580
- We noted yesterday that the futures were not considered a technical sell due to the positive divergence, resulting in the intraday price moving higher. The upside move has rejected the EMA resistance band with the futures moving lower in the Asian session. 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 below USD 3,580 with the RSI at or below 39 will mean price and momentum are aligned to the sell side. Likewise, a close above this level will mean it is aligned to the buyside. The upside move yesterday failed to trade above our USD 3,660 resistance, leaving the futures vulnerable to a test to the downside, above this level the technical has a neutral bias.
- Downside moves below USD 3,490 will create further positive divergence with price warning we have the potential for a momentum slowdown.
- Technically bearish the divergence will need to be monitored as downside breakouts below USD 3,490 are not considered to be a technical sell.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	25,854	R1	25,075		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 (39)
- Stochastic is above 50
- Price is below the daily pivot point USD 25,854
- Technically bearish but not considered a technical sell as the futures had started to consolidate on the back of a positive divergence, resulting in the futures moving higher yesterday. Price is below the EMA resistance band and trading lower on the open (-874), the RSI is below 50 with intraday price and momentum aligned to the sell side.
- A close on the 4-hour candle above USD 25,854 with the RSI at or above 44 will mean price and momentum are aligned to the buyside.
- The new low means key fractal resistance is at USD 26,100, above this level the intraday technical is bullish based on a higher high.
- Technically bearish but not considered a technical sell as price is in divergence.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,042	R1	2,043	Stochastic oversold	RSI below 50
S2	2,025	R2			
S3	1,965	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is below 50 (40)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,080
- Technically bearish with a neutral bias the futures held at the EMA resistance band resulting in the futures trading down to the low on the open. Price is below all key 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 2,080 with the RSI at or above 46 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 2,090 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish with price testing the USD 2,042 low on the open, downside moves below this level will create a second positive divergence with the RSI, not a buy signal it is a warning that we have the potential for a momentum slowdown on a new low. This will need to be monitored.