

## News China

China's economy showed further signs of improvement in June with a strong pickup in services and construction as Covid outbreaks and restrictions were gradually eased.

The official manufacturing purchasing managers index rose to 50.2 from 49.6 in May, the National Bureau of Statistics said Thursday, slightly below the median estimate of 50.5 in a Bloomberg survey of economists. It was the first time since February that the index was above 50, indicating an expansion in output compared with May (Bloomberg)

## Base

Base metals headed for the worst quarterly slump since the global financial crisis in 2008 as China's economy recovered only gradually and fears of a world recession intensified.

The London Metal Exchange Index has tumbled 23% since the end of March, although the decline has been magnified due to prices spiking in March following Russia's invasion of Ukraine. Tin has been the worst performer, plummeting 38%, while aluminum is down by around a third and copper has fallen by about a fifth. (Bloomberg)

## NI

Nickel surged after the UK sanctioned Vladimir Potanin, the largest shareholder in Russian mining giant MMC Norilsk Nickel.

Prices for the metal used in stainless steel and electric-vehicle batteries jumped 2.7% on the London Metal Exchange, the most in three weeks, after the British government included Potanin in sanctions targeting Russian President Vladimir Putin's "inner circle." (Bloomberg)

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,260	R1	8,389		RSI below 50
S2	8,122.50	R2			
S3	7,895	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 8,405
- The futures moved higher in the morning session, however for the second consecutive day the market failed to see upside continuation, resulting in the futures moving sideways to slightly lower for the rest of the session. Price is below the EMA resistance band with the RSI below 50, intraday price and momentum are conflicting.
- A close on 4-hour candle below USD 8,419 with the RSI at or below 37 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. Upside moves that fail at or below USD 8,742 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Yesterday we noted that the pullback did not look deep enough warning that a downside moves to a new low would suggest a wave extension, the continued consolidation means are oscillators have moved higher, confirming we are now in the corrective wave 4. Downside moves below USD 8,260 will target the USD 8,122.50 low, if broke it will signal the futures have entered a bearish 5th wave.
- Technically bearish, we are now in a countertrend wave 4 with key resistance at USD 8,742.

# Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,461		RSI below 50
S2	R2			
S3	R3			

Source Bloomberg

## Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (41)
- Stochastic is below 50
- Price is above the daily pivot point 2,471
- Sideways action for the futures with price trading to a low of USD 2,443. 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 2,471 with the RSI at or above 48 will mean price and momentum are aligned to the buyside. Upside moves above USD 2,536 will target the USD 2,585 and USD 2,636 resistance levels. However, corrective moves higher that fail at or below 2,704 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Price has traded below the USD 2,460 support meaning the USD 2,421 low is now vulnerable.
- Technically bearish, the move below USD 2,460 warns we could be in the early stages of a bearish wave 5, however confirmation only comes on a new low.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,272	R1	3,310		RSI below 50
S2	3,189	R2			
S3	3,088	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (37)
- Stochastic is below 50
- Price is above the daily pivot point USD 3,351
- Technically unchanged from yesterday. The future consolidated yesterday with price moving slightly lower on the Asian open. 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 3,351 with the RSI at or above 40.5 will mean price and momentum are aligned to the buy side. Likewise, a close below this level with the RSI at or below 36 will mean it is aligned to the sell side. Upside moves that fail at or below USD 3,507 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Wave analysis remains unchanged, if we trade to new lows before moving higher it will signal wave extension with a near-term downside target at USD 3,189.
- Technically bearish, intraday Elliott wave analysis suggests upside moves should be considered as counter-trend at this point with key near-term resistance at USD 3,507.

# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	22,889	R1	23,773		RSI below 50	
S2	21,723	R2				25,417
S3	21,723	R3				26,500

## Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is below 50 (45)
- Stochastic is above 50
- Price is above the daily pivot point USD 22,912
- The upside move in the futures has confirmed we are in a corrective wave 4, the deep pullback means the technical is now bearish but with a neutral bias. The futures could be vulnerable on the open due to sentiment weakness as the base sector is lower this morning. We also see European equities being sold aggressively on the open, which in recent days has filtered through to the commodities sector. Price is between the EMA resistance band with the RSI below 50, intraday price and momentum were aligned to the buyside into the close.
- A close on the 4-hour candle below USD 22,912 with the RSI at or below 35 will mean price and momentum are aligned to the sell side. Downside moves that gold at or above USD 22,889 will support a near-term bull argument, below this level we target the USD 21,650 low.
- Technically bearish with a neutral bias, wave analysis would suggest that this upside move is countertrend. Be aware of further sanctions by the U.K Government as this does have the potential to change the psychological footprint of the market.

# Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	1900.50	R1	1,944	Stochastic oversold	RSI below 50
S2	1,886	R2	2,017.5		
S3	1,845	R3	2,042		

## 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 1,944
- The Downside move yesterday resulted in price trading below the USD 1,939 support, meaning we now target the USD 1900.50 low. 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 1,944 with the RSI at or above 43.5 will mean price and momentum are aligned to the buy side. Upside moves above USD 2,017.5 will target the USD 2,042 resistance. This is a key level, above it and the technical has a neutral bias.
- Downside moves below USD 1,900.50 will confirm the futures are on a bearish wave 5.
- Technically bearish with the USD 1,900.50 low looking vulnerable due to the move below USD 1,939.