

China

Copper slumped for a fifth day as metals extended a sharp retreat driven by fears over everything from Europe's energy crisis, to a hawkish Federal Reserve and China's fragile economic recovery.

Industrial metals are coming under sustained pressure as headwinds gather for global growth. In China, there are worries that the country's real estate troubles are worsening rather than healing. Europe's economy is under serious threat from soaring energy costs. And Wednesday's surprisingly high print on US inflation drove the dollar high and spurred talk of an outsize rate hike later this month. (Bloomberg).

Cu

Don't let copper's latest rout fool you: Supply shortages will be so severe and prices so high in coming years that they risk delaying the global shift away from fossil fuels.

That's the conclusion of a new S&P Global study that warns of "unprecedented and untenable" copper shortfalls in the coming decade as suppliers grapple with a near doubling of demand by 2035. Prices that fell below \$7,500 a metric ton this week are set to soar back above their \$10,845 peak later this decade, driven by the metal's key role in the clean-energy and transport industries, S&P Global said. (Bloomberg)

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	6,855	R1	7,300		
S2	6,401	R2	7,459		RSI below 50
S3	6,212	R3	7,551		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA Resistance band (Black EMA's)
- RSI is below 50 (33)
- Stochastic is below 50
- Price is below the daily pivot point USD 7,300
- The range bound day yesterday after the downside move failed to hold over the CPI figure. Price is below the EMA resistance band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 7,300 with the RSI at or below 31 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. Upside moves that fail at or below USD 7,676 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Price has moved lower on the Asian open; however, the new low yesterday has created a positive divergence with the RSI, not a buy signal it warns we have the potential to see a momentum slowdown.
- Technically bearish and in trend the divergence will need to be monitored

Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,350		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 below the daily pivot point 2,361
- As highlighted yesterday, the new low in the futures had created a positive divergence with the RSI which will need to be monitored. A rangebound day with the downside moves to a new low failing to hold. 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 2,358 with the RSI at or below 39.5 will mean price and momentum are aligned to the sell side. Likewise, a close above this level with the RSI at or above 44 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,433 will leave the futures vulnerable to further tests to the downside, above this level the technical will have neutral bias.
- The trend is technically bearish, but the intraday futures are now in divergence which will need to be monitored, as it warns we have the potential to see a momentum slowdown. With an array of data coming out of China in the early hours we may see another range bound day.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,877	R1	2,896	Stochastic oversold	RSI below 50
S2	2,734	R2			
S3	2,609	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (33)
- Stochastic is oversold
- Price below the daily pivot point USD 2,959
- As noted yesterday we maintained our view that the futures had a near-term downside target at USD 2,942, which has now been achieved. The futures remain in a bearish trending environment 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 2,959 with the RSI at or above 41 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 3,048 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 3,136.5 is the intraday technical bullish.
- The new low means the futures are now in divergence with the RSI, not a buy signal it is a warning of the potential for a momentum slowdown. We have now achieved the minimum requirement for wave/phase completion; however, using the William's approach we have near-term support at USD 2,734 with a potential downside target as low as USD 2,485.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	20,850	R1	20,420	Stochastic oversold	RSI below 50
S2	20,056	R2			
S3	16,862	R3			

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 21,221
- The futures continue to move lower with price approaching our downside target at USD 20,056. Price remains 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 21,221 with the RSI at or above USD 43 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 23,630 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 approaching our downside target with the futures in divergence. For this reason the futures are not considered a technical sell at these levels

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	1,883	R1	1,945	Stochastic oversold	RSI below 50
S2	1,845	R2	2,007.5		
S3	1,804	R3	2,017.5		

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is above 50 (43)
- Stochastic is oversold
- Price is above the daily pivot point USD 1,945
- The futures came under pressure in the Asian session with price trading in the USD 1,918 – USD 1,912 support zone. The futures are below the EMA resistance band 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 1,945 with the RSI at or above 48.5 will mean price and momentum are aligned to the buy side. Upside moves above the USD 1,970 will warn that the USD 2,017.5 resistance could be tested.
- Downside moves below USD 1,911 (has low ticked at 1,910.5) will warn that the USD 1,883 low could come under pressure.
- The technical is bearish with price testing a support zone, if broken the USD 1,883 low could be tested.

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