

China

China will likely report a further recovery in its economy in July although the strength and longevity of that rebound is far from certain as Covid outbreaks continue to spread and a property slump shows no sign of easing.

Official data on Monday will probably show a raft of key indicators -- including industrial output and retail sales -- improved last month as business and consumer activity gradually picked up from the worst of the Covid lockdowns in the second quarter. The government will publish the data at 10am local time on Monday. (Bloomberg).

Cu

Copper headed for its third weekly gain in four after supply disruptions in top producing country China and expectations of a shallower rate hike by the US Federal Reserve brightened the outlook for industrial metals.

Risk appetite returned this week as investors cheered the possibility that ebbing US inflation will take the pressure off the Fed to keep hiking rates sharply, easing concerns around a possible recession that could drag on demand for industrial metals. There was still some caution as investors assessed the latest comments from central bank officials. San Francisco Fed President Mary Daly said inflation is too high, adding she anticipates more restrictive monetary policy in 2023. (Bloomberg).

Zn

Global zinc supplies could tighten further as smelters in top producer China hold back output on declining profits, further bolstering prices for one of the best performers on the London Metal Exchange this year.

Despite relatively high prices for the metal, zinc smelters in China have been suffering weaker profits on tighter raw materials supply and relatively weak demand. Now, prices of sulfuric acid -- a key byproduct from making zinc that's used in everything from fertilizers to explosives -- have retreated. That's depriving smelters of much-needed extra revenue and could postpone production increases. (Bloomberg)

Copper Morning Technical (4-hour)



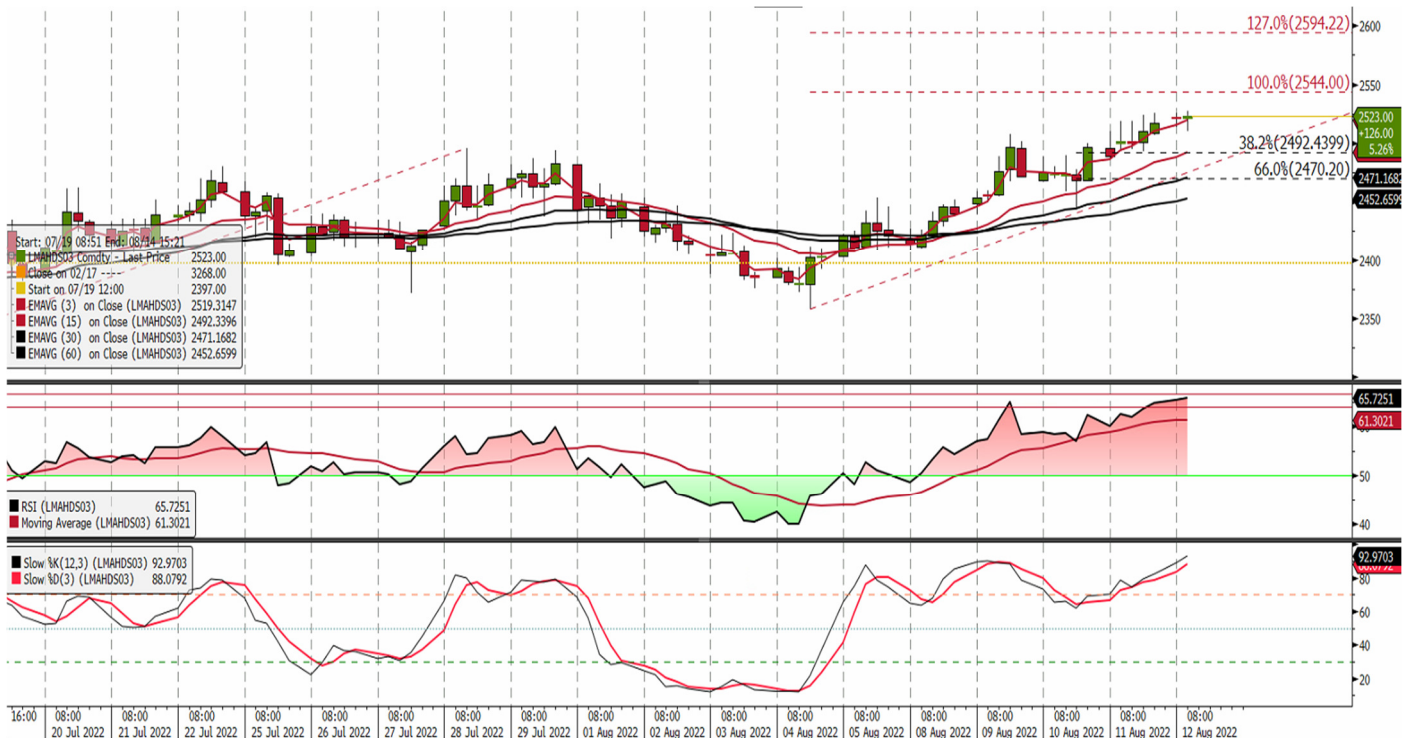
	Support	Resistance	Current Price	Bull	Bear
S1	8,146	R1	8,244	RSI above 50	Stochastic overbought
S2	7,972	R2	8,381		
S3	7,902	R3	8,631		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (66)
- Stochastic is overbought
- Price is above the daily pivot point USD 8,146
- Little change in the technical since yesterday, the futures continue to move higher with price above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 8,146 with the RSI at or below 61 will mean price and momentum are aligned to the sell side. Corrective moves lower that hold at or above USD 7,807 will support a bull argument, below this level the technical will have a neutral bias.
- Near-term resistance is now at USD 8,244, upside moves above this level will target the USD 8,381 and USD 8,631 resistance levels. (unchanged)
- Technically bullish and in trend with the futures making new highs, we remain in divergence which will need to be monitored. The downside move in the USD basket yesterday held failed to hold with price trading on the base of its support band with the intraday RSI in divergence, warning we could be see the currency finding support around these levels.

Aluminium Morning Technical (4-hour)



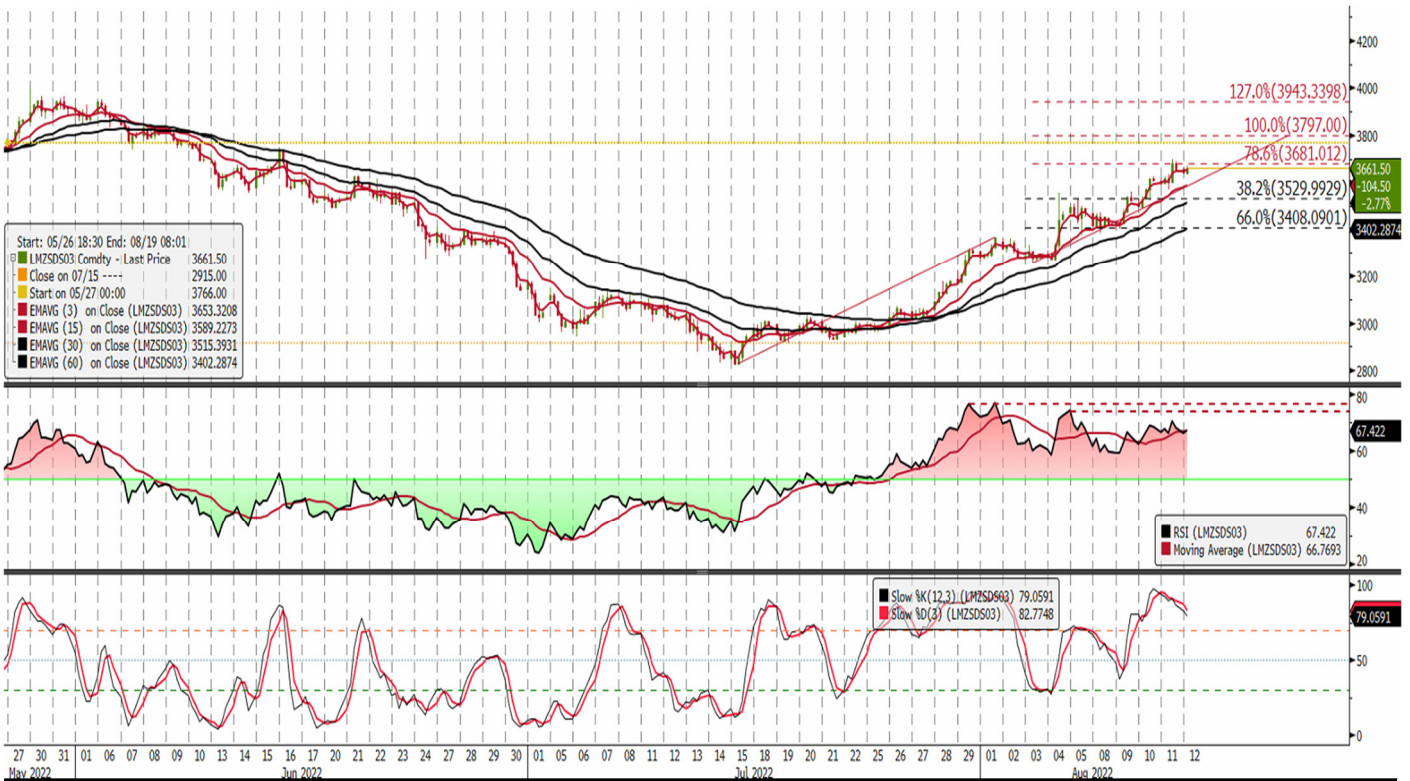
	Support	Resistance	Current Price	Bull	Bear
S1	2,509	R1	2,536	RSI above 50	Stochastic overbought
S2	2,494	R2	2,544		
S3	2,471	R3	2,560		

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA Support band (Black EMA's)
- RSI is above 50 (66)
- Stochastic is overbought
- Price is above the daily pivot point 2,509
- The upside move in the futures means the divergence has now failed. Price is above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,509 with the RSI at or below 59 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 2,470 will support a bull argument, below this level the technical will have a neutral bias. Only below USD 2,443 is the intraday technical bearish.
- Technically bullish, The divergence failure does support a near-term bull argument, suggesting downside moves could be countertrend, but the RSI is now at a long-term intraday resistance. The EMA's are widening but this trend is still not considered as stable, suggesting caution as the daily futures are now trading in their resistance band.
- Note—The RSI looks to be at a bear market resistance, this upside move is not a stable bull trend as the daily technical remains below the EMA's bands, warning we could see an intraday pullback soon. The technical is bullish but the warning signs will need to be monitored.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	3,640	R1	3,665	RSI above 50	Stochastic overbought	
S2	3,529	R2				3,681
S3	3,408	R3				3,797

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (67)
- Stochastic is overbought
- Price is above the daily pivot point USD 3,640
- Technically unchanged from yesterday, the futures remain above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside,
- A close on the 4-hour candle below USD 3,640 with the RSI at or below 64.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 3,408 will support a bull argument, below this level the technical will have a neutral bias.
- The EMA bands are well spaced with the daily technical now bearish with a neutral bias due to the depth of the upside move; However, this divergence with the RSI remains a concern as the RSI is not moving higher with price.
- We remain technically bullish but continue to have a cautious view on the technical.

Nickel Morning Technical (4-hour)



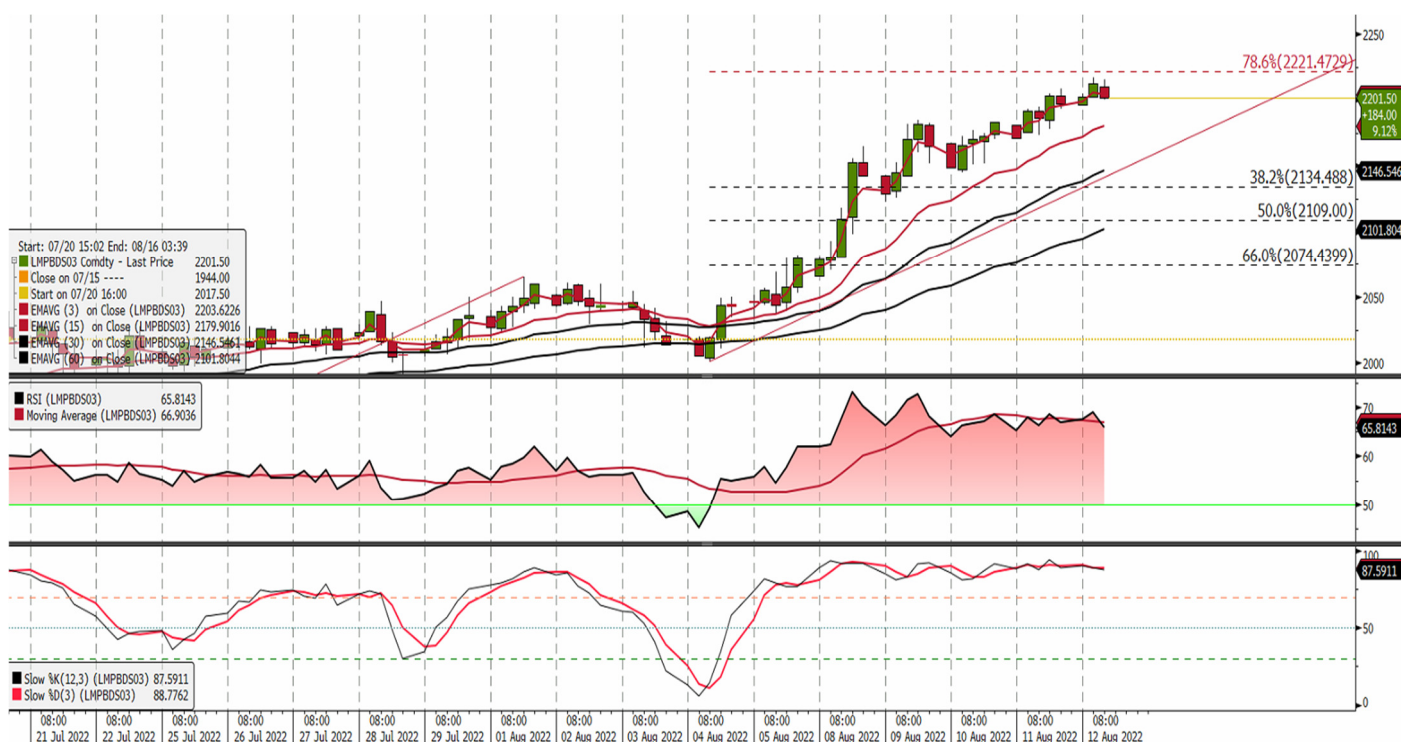
	Support	Resistance	Current Price	Bull	Bear
S1	23,471	R1	23,905	RSI above 50	Stochastic overbought
S2	22,062	R2			
S3	21,020	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (60)
- Stochastic is overbought
- Price is above the daily pivot point USD 23,471
- Having seen the futures move higher on the back of the 3-wave corrective pattern the futures have now traded above the USD 23,550 fractal resistance meaning the intraday technical is now bullish, we now target the USD 25,200 level. Price is above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 23,471 with the RSI at or below 50.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 22,062 will support a near-term bull argument, below this level the technical will have a neutral bias.
- Technically bullish based on price we have flat EMA's indicating a lack of trend in the market. Price is making a new high, but the RSI is not; the negative divergence is warning we have the potential to see a momentum slowdown, warning we could enter a corrective phase soon.
- Technically bullish, the divergence needs to be monitored

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,192	R1	2,201.5	RSI above 50	Stochastic overbought
S2	2,134	R2			
S3	2,109	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (66)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,192
- Price remains technically bullish above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,192 with the RSI at or below 64.5 will mean price and momentum are aligned to the downside. Corrective moves that hold at or above USD 2,074 will support a bull argument, below this level the technical will have a neutral bias.
- The futures remain in trend; however, the divergence is becoming more significant, warning that we could soon see a momentum slowdown. (unchanged)
- Technically bullish with downside moves considered countertrend, the divergence will now need to be monitored as there are warning signs that we could see some form of technical pullback. (unchanged)

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