

China

Iron ore, copper and other metals declined after fresh economic data exacerbated concerns that China's sluggish recovery will curb demand for raw materials.

Industrial production rose 3.8% in July from a year earlier, the National Bureau of Statistics said Monday. That was less than a 3.9% increase in June and economists' forecasts for a gain of 4.3%. The People's Bank of China delivered a surprise interest-rate cut on Monday in an attempt to revive the economy.

China's comeback from a major virus outbreak earlier in the year hasn't been convincing, with the Covid Zero policy meaning even small numbers of new cases can result in severe restrictions. The country is also facing a persistent property industry crisis, curbing demand for steel, copper and other metals. (Bloomberg).

Zn

The global zinc market is expected to be tighter in 2022 and 2023 due to bigger cuts to European smelter output on winter power shortages, even as demand falters, according to Citigroup Inc.

Smelter cuts should cushion zinc prices from the worst of the consumption weakness, analysts including Tom Mulqueen and Ed Morse said in a Aug. 15 note (Bloomberg)

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	7,981	R1	8,131	RSI above 50	
S2	7,909	R2	8,214		
S3	7,812	R3	8,244		

Synopsis - Intraday

Source Bloomberg

- Price is in the EMA support band (Black EMA's)
- RSI is above 50 (51)
- Stochastic is overbought
- Price is below the daily pivot point USD 8,131
- The futures moved lower on Friday on the back of the negative divergence with the RSI and stronger USD. Poor data and a rate cut in China has resulted in further downside moves in the futures on the open. Price is now trading in the EMA support band with the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 8,131 with the RSI at or above 64.5 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 7,812 will support a bull argument, below this level the technical will have a neutral bias. Only below USD 7,602 is the intraday technical bearish.
- Technically the futures remain bullish but in a corrective phase having corrected on the back of the negative divergence, downside moves below USD 7,889 will warn that the USD 78,812 support could come under pressure and potentially be broken.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,410	R1	2,412.5	RSI above 50	Stochastic overbought
S2	2,390	R2			
S3	2,358	R3			

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA Support band (Black EMA's)
- RSI is below 50 (40)
- Stochastic is overbought
- Price is above the daily pivot point 2,463
- We noted on Friday that the RSI on the futures looked to be at a bear market resistance warning we had the potential to see an intraday pullback. The futures entered a corrective phase and traded below the USD 2,443 fractal support, meaning the intraday technical is now bearish. Price is below the EMA support band with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,463 with the RSI at or above 2,463 will mean price and momentum are aligned to the buyside. The downside move on the open below USD 2,410 means the higher timeframe technical is now neutral. Below USD 2,358 would suggest the USD 2,310 fractal low could be tested.
- Technically bearish on the intraday and neutral on the daily, key support is now at USD 2,358, upside moves that fail at or below USD 2,487 will leave the futures vulnerable to further tests to the downside. Only above USD 2,527 is the intraday technical bullish.

Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	3,517	RSI above 50	
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA support band (Black EMA's)
- RSI is above 50 (52)
- Stochastic is oversold
- Price is below the daily pivot point USD 3,615
- Technically bullish but with a cautious view last week as the futures were in divergence with the RSI. Price moved lower on Friday and again on the Asian open, meaning the futures are between the EMA support band. The RSI is neutral at 50 with price and momentum aligned to the sell side.
- A close on the 4-hour candle above USD 3,615 with the RSI at or above 45.5 will mean price and momentum are aligned to the buyside. 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.
- Upside moves above USD 3,697.5 will target the USD 3,797 Fibonacci resistance.
- The downside move has broken a secondary trend support, warning the USD 3,408 level could now come under pressure, if broken we target the USD 3,327 primary trend support.
- Technically bullish with price in a corrective phase, the break in the secondary trend support is warning this technical is vulnerable, as the pullback is on the back of a negative divergence. A close on the 4-hour candle back above the secondary trend (USD 3,578) will warn that buyside pressure is increasing.

Nickel Morning Technical (4-hour)



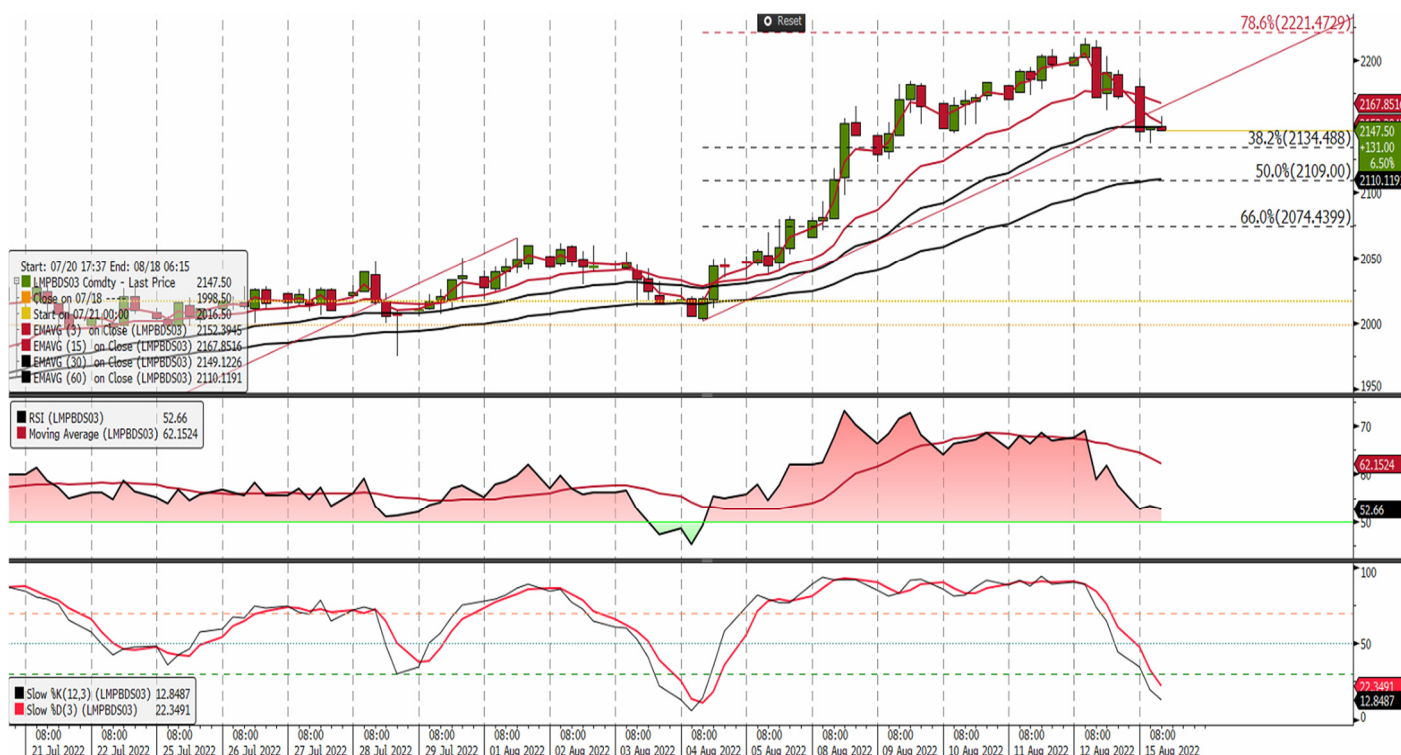
	Support	Resistance	Current Price	Bull	Bear
S1	22,062	R1	23,036	RSI above 50	Stochastic overbought
S2	21,020	R2			
S3	20,616	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (53)
- Stochastic is overbought
- Price is below the daily pivot point USD 23,373
- Technically bullish on Friday with the divergence needing to be monitored, the futures followed the rest of the base complex lower. Price remains above the EMA resistance band with the RSI above 50m intraday price and momentum are now conflicting.
- A close on the 4-hour candle below USD 23,373 with the RSI at or below 51.5 will mean price and momentum are aligned to the sell side. Likewise, a close above this level will mean it is aligned to the buyside. Downside moves that hold at or above USD 22,062 will support a bull argument, below this level the technical will have a neutral bias.
- Upside moves above USD 24,090 will target the USD 24,505 and USD 25,200 resistance levels.
- Technically bullish price has moved lower on a minor divergence, weakness across the base sector is warning that support levels could be tested.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,134	R1	2,150	RSI above 50	
S2	2,109	R2			
S3	2,074	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (53)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,184
- Technically bullish on Friday with downside moves considered as countertrend, as the divergence warned that the futures could enter a corrective phase. Price has moved lower with the futures testing the top of the EMA support band, the RSI is above 50 but price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,184 with the RSI at or above 64.5 will mean price and momentum are aligned to the buy side. Downside 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 RSI is above 50 with the stochastic in oversold territory, momentum is warning that the futures are vulnerable to a test to the upside. However, if the RSI moves below 50 then the stochastic becomes less relevant.
- Technically bullish but in a corrective phase.