

China

China's surprise interest-rate cut has done little to allay concern over the property and Covid Zero-led slowdown, with economists and state media calling for additional stimulus.

In a front-page report Tuesday, the central-bank backed Financial News said Beijing should introduce new pro-growth policies at the appropriate time to keep growth within a reasonable range, citing Wen Bin, chief economist at China Minsheng Bank. The Securities Times said in a separate report the People's Bank of China's surprise rate cut may be the first in a series of policies to stabilize growth. (Bloomberg).

Cu

Copper market will move back into balance "toward the tail end of the decade," and prices should support development of more projects, BHP Group CEO Mike Henry said Monday in an interview.

A recovery in China is likely to offer a "tail wind" to global growth and help offset downturns elsewhere over the next six to 12 months, Henry told Bloomberg Television

BHP's takeover offer for OZ Minerals is only one option for co. to add growth, and "very disappointingly, they have chosen not to engage"

Long-term outlook for copper, nickel and potash is really strong because of "unstoppable global trends: decarbonization, electrification, population growth, increasing standards of living," Henry said. "All three of those commodities play to those thematic" (Bloomberg).

Al

Aluminum climbed in London on concerns that China's producers could face deepening curbs as soaring temperatures stretch power supplies and dry up water for hydro-electricity.

The metal rose more than 1% with concerns growing that efforts to curb electricity demand would force more smelters out of action. Making aluminum is heavily power-intensive, and is often a target when authorities want to conserve energy.

Sichuan, a major aluminum hub in the southwest of China, has vowed to ensure power supply for residential use, and at least one aluminum smelter there has already cut production. The fear is that cuts could deepen, and spread to other regions. Smelters in Sichuan often rely on hydro-electric power, which is under threat as water levels retreat. (Bloomberg)

Copper Morning Technical (4-hour)



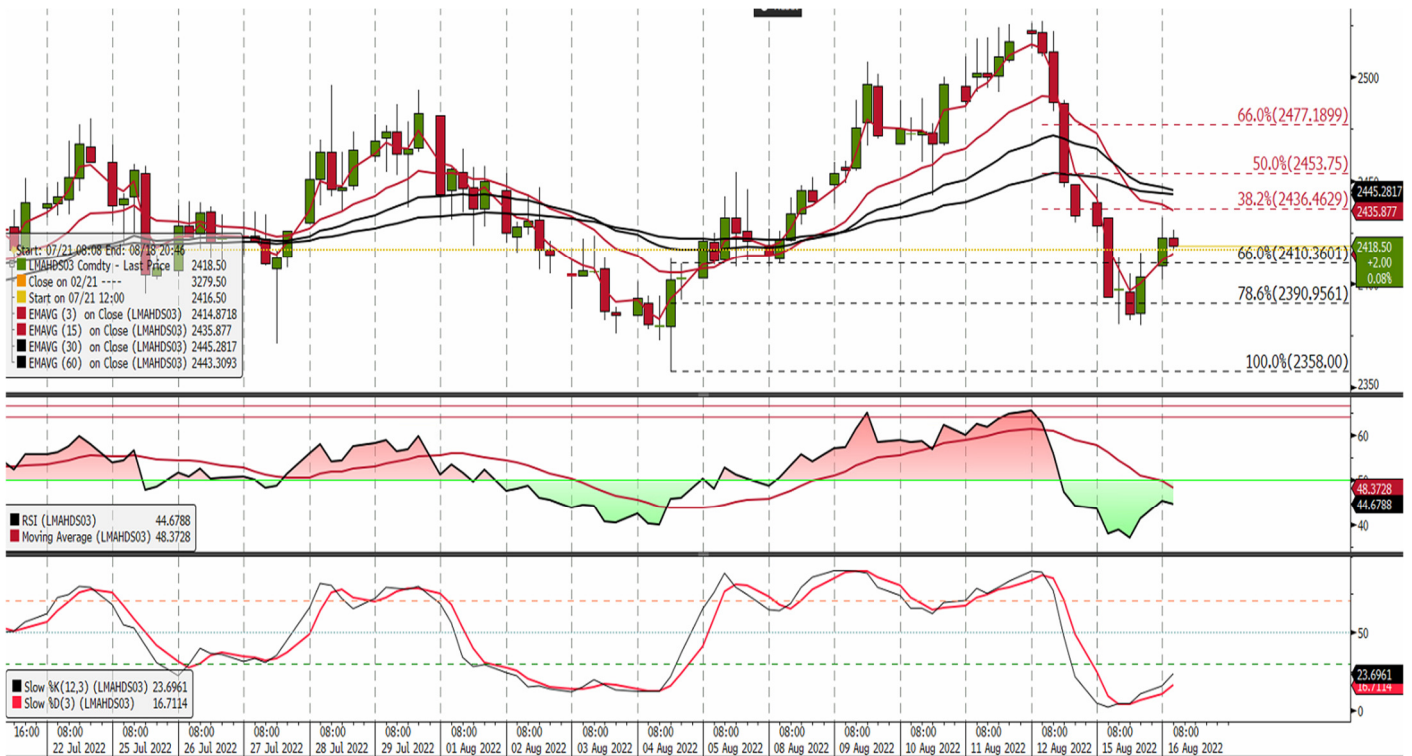
	Support	Resistance	Current Price	Bull	Bear
S1	7,984	R1	8,014	RSI above 50	
S2	7,865	R2			
S3	7,812	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (52)
- Stochastic is oversold
- Price is above the daily pivot point USD 7,984
- Technically bullish but in a corrective phase yesterday having moved lower on the poor data from China alongside the negative divergence with the RSI. Price rallied in the U.S session and Asian open meaning the futures are above the EMA support band with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 7,984 with the RSI at or above 58.5 will mean price and momentum are aligned to the buyside. Likewise, a close below this level will mean it is aligned to the sell side.
- The downside moves is holding above the USD 7,812 level, supporting a bull argument; however, upside moves that fail at or below USD 8,095 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 8,214 high.
- The RSI is above 50 with the stochastic in oversold territory, momentum is warning we are vulnerable to a test to the upside providing the RSI holds above 50 if it doesn't the stochastic becomes less relevant.
- Technically bullish but in a corrective phase with the RSI above 50, the moving average on the RSI is sloping to the downside, warning support levels could be tested again in the near-term.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,410	R1	2,436	Stochastic oversold	RSI below 50
S2	2,390	R2	2,453		
S3	2,358	R3	2,477		

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA Support band (Black EMA's)
- RSI is below 50 (45)
- Stochastic is oversold
- Price is above the daily pivot point 2,410
- Having rejected the bearish RSI resistance band, the futures have produced a deep pullback meaning the higher timeframe technical is neutral, whilst the intraday is bearish. Price is below the EMA support band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,410 with the RSI at or above 50.5 will mean price and momentum are aligned to the buy side. Likewise, a close below this level will mean it is aligned to the sell side. Upside moves that fail at or below USD 2,477 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- The intraday technical is bearish with the RSI and its MA below 50, the deep pullback on the higher timeframe technical would suggest resistance levels should hold if tested in the near-term.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	21,020	R1	22,013	Stochastic overbought	RSI below 50
S2	20,616	R2			
S3	20,500	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (45)
- Stochastic is oversold
- Price is below the daily pivot point USD 22,150
- Having moved lower on a minor negative divergence the futures had looked vulnerable before the open due to weakness across the sector. The futures moved lower, producing a deep pullback on the intraday chart meaning we have a neutral bias. 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 22,150 with the RSI at or above USD 56 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 23,277 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 24,090 fractal resistance.
- Technically neutral, downside moves below USD 21,020 will warn that the USD 20,616 – USD 20,500 support zone could be tested.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,134	R1	2,185	RSI above 50	
S2	2,109	R2	2,217		
S3	2,074	R3	2,221		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (55)
- Stochastic is below 50
- Price is on the daily pivot point USD 2,166
- Momentum warned yesterday that the futures had the potential for an upside moves resulting in the futures moving higher. Price is above the EMA support band with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,166 with the RSI at or above 61.5 will mean price and momentum are aligned to the buy side. Likewise, a close below this level will mean it is aligned to the sell 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 technical remains bullish but in a corrective phase, an upside move above USD 2,185 will warn the USD 2,217 high could be tested. However, if we trade below USD 2,137 then the USD 2,109 and USD 2,074 support levels will be vulnerable.

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