

## China

Goldman Sachs Group Inc. and Nomura Holdings Inc. downgraded their forecasts for China's economic growth further, with a power supply crunch adding more uncertainty to the outlook.

Goldman Sachs lowered its projection for gross domestic product growth to 3% from 3.3%, citing weaker-than-expected July economic data as well as near-term energy constraints. Nomura slashed its forecast to 2.8% from 3.3%. (Bloomberg).

## Al/Zn

Aluminum declined along with zinc as investors assessed output cuts due to power crises in Europe and China against a weakening demand outlook.

Used in everything from cans to cars, aluminum is one of the most energy-intensive metals to produce. In China, power rationing in Sichuan province has cut nearly 400,000 tons of annualized capacity, or about 1% of the country's total, researcher Shanghai Metals Market said in a note. In Europe, Norsk Hydro ASA plans to shut a smelter in Slovakia, adding to closures of around half the region's aluminum and zinc capacity in the past year. (Bloomberg)

# Copper Morning Technical (4-hour)



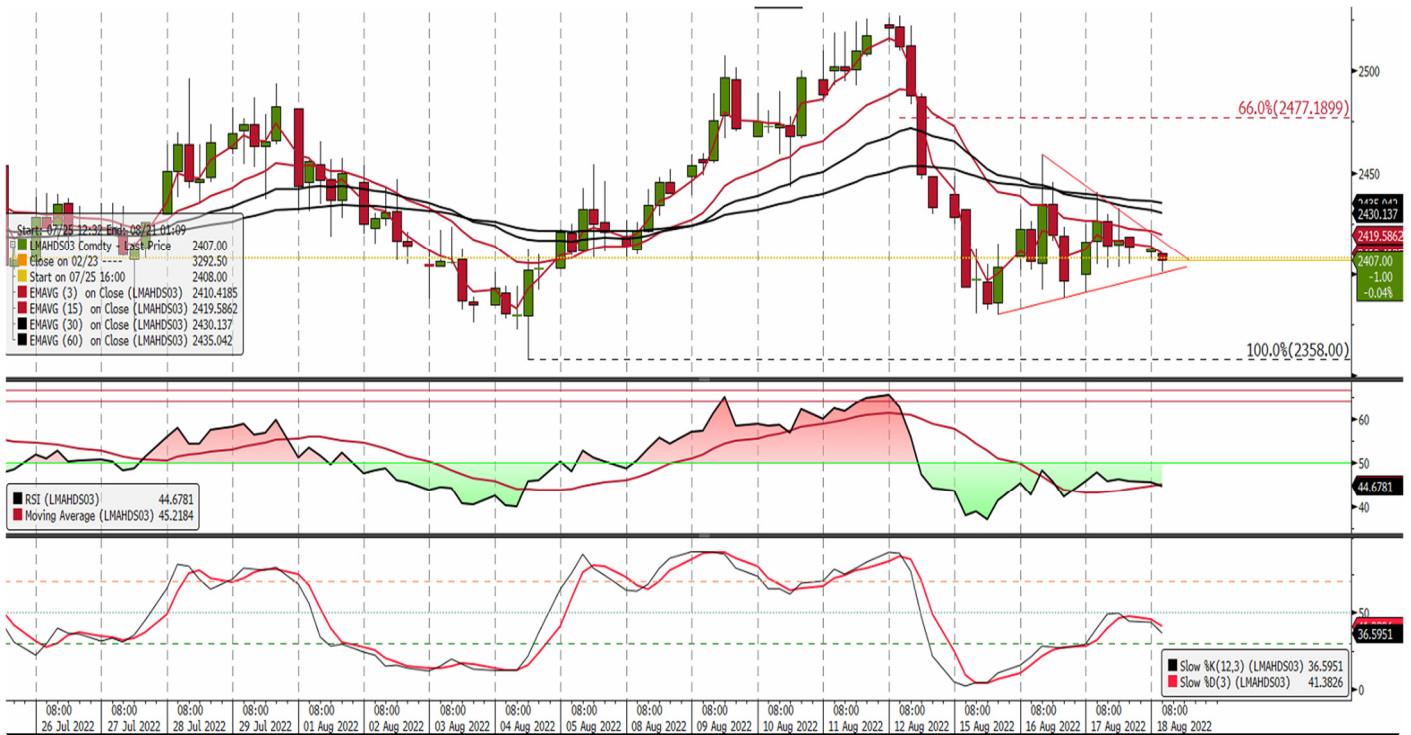
Support		Resistance		Current Price	Bull	Bear
S1	7,810	R1	7,953	7,904	Stochastic oversold	RSI below 50
S2	7,732	R2	8,055			
S3	7,602	R3	8,095			

## Synopsis - Intraday

Source Bloomberg

- 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 USD 7,953
- As noted yesterday the daily technical had moved lower on a negative divergence after rejecting the daily resistance band. Price moved lower yesterday and on the Asian open meaning we are now below the intraday 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 7,953 with the RSI at or above 52 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 8,095 will leave the futures vulnerable to further tests to the downside, above this level the technical will target the USD 8,214 high. Likewise, downside moves that hold at or above USD 7,810 will support a near-term bull argument, below this level the technical will have a neutral bias.
- The futures are now trading below the intraday trend support that has been in place since the 15/07/22 whilst the EMA band has compressed and flattened. The bull trend is unstable with the RSI now below 50, warning that the USD 7,810 support could come under pressure.
- Technically we are bullish but in a corrective phase, technical indicators (Divergence, Trend break, RSI rejection of its MA, failure to trade above 8,095) are implying that we could be about to transition to the sell side.

# Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,380	R1	2,459	2,407	RSI below 50
S2	2,358	R2	2,477		
S3	2,310	R3	2,527		

Source Bloomberg

## Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (44)
- Stochastic is below 50
- Price is below the daily pivot point 2,415
- Another day of consolidation in the futures, what had looked to be random price movement has now formed a symmetrical triangle. 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 above USD 2,415 with the RSI at or above 47.5 will mean price and momentum are aligned to the buy side. Likewise, a close below this level with the RSI at or below 43 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 symmetrical triangle is a neutral pattern, a close outside of this pattern will potentially define the next short-term move. We have a slightly higher probability of the break being to the downside on the basis that the consolidation pattern has formed after a move lower. However, ultimately, this is a neutral pattern.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,375	R1	3,469.5	Stochastic oversold	RSI below 50
S2	3,267	R2			
S3	3,255	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (57)
- Stochastic is above 50
- Price is below the daily pivot point USD 3,566
- Technically bullish but not considered a technical buy yesterday due to the negative divergence and the daily rejection candle. The futures have now traded below the USD 3,480 fractal support meaning the intraday technical is bearish. Price is trading 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 3,566 with the RSI at or above 57 will mean price and momentum are aligned to the buyside. upside moves that fail at or below USD 3,700 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, our interpretation of the recent bullish intraday Elliott wave cycle would suggest that it has completed for now, suggesting there is potentially further downside in the near-term.

# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	21,020	R1	22,115	RSI above 50	
S2	20,616	R2	24,090		
S3	18,230	R3	23,277		

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is below 50 (46)
- Stochastic is oversold
- Price is below the daily pivot point USD 22,115
- Another day of limited price movement in the futures, 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 22,115 with the RSI at or above 51 will mean price and momentum are aligned to the buyside. 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.
- The technical is unchanged from yesterday and continues to have a neutral bias based on the flat averages.



# Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,074	R1	2,102	Stochastic oversold	RSI below 50
S2	2,047	R2			
S3	2,001	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (44)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,118
- A noted yesterday the RSI was rejecting its moving average with the EMA band starting to flatten indicating the bull trend was becoming less stable. Price is now trading below the 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 2,118 with the RSI at or above 53 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,176 will leave the futures vulnerable to further test to the downside, above this level we target the USD 2,217 fractal high. Likewise, 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 upside move that started on the 04/08 is only 78.65 the length of the wave from the 14/07 – 01/08. This does not mean it is not bullish impulse, but it is warning that the trend is not strong; the corrective phase is now complex, if we fail to hold above the USD 2,074 level then the probability of the recent upside move being part of a larger corrective phase will increase, warning the USD 2,001 support could be tested and broken.
- Technically this market is bullish but in a corrective phase. The wave length at 78.6%, whilst the RSI is below 50 with its MA sloping to the downside, is leaving this technical very vulnerable. Based on the information in front of us we do not think this market is a technical buy as the warning signs outweigh the buyside risk.