

## China

China attracted 798.33 billion yuan of foreign direct investment (FDI) in the first seven months of 2022, up 17.3% year-over-year reported the Ministry of Commerce on Thursday.

Measured in US dollar terms, FDI into China increased 21.5% from January to July to \$123.92 billion, year-over-year, the ministry said.

In general, FDI refers to the purchase or development of China-based businesses and properties by non-Chinese or foreign entities. The term FDI excludes "portfolio investments" that do not transfer control to investors, such as typical investments in stocks or bonds.

The use of foreign capital in the January-July period increased by 33% in the high-tech manufacturing industry, and by 31.8% in the high-tech service industry, reported the ministry. (Bloomberg).

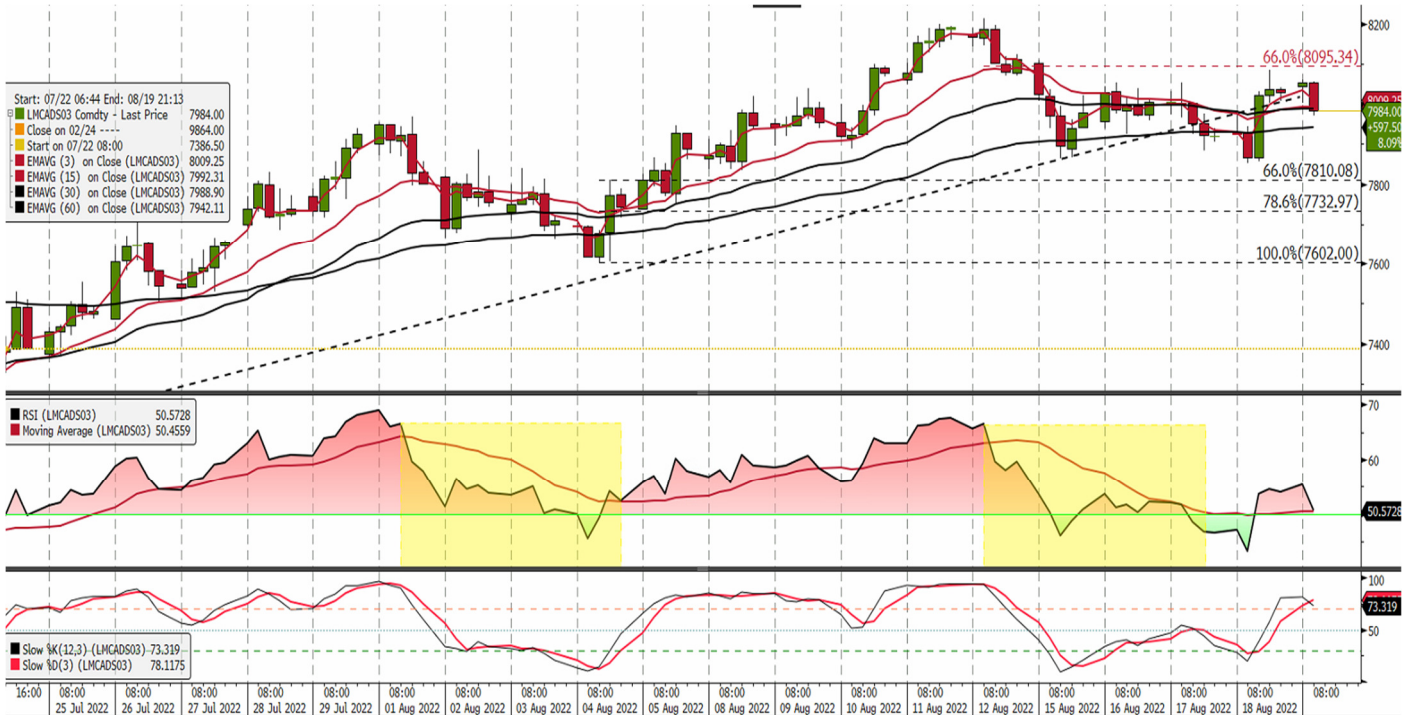
## Base

Base metals headed for a weekly loss as geopolitical tensions and growth fears continued to weigh on the outlook for demand, offsetting a hit to supply from a global energy crisis

Aluminum and zinc reversed gains from earlier this week as risk appetite remains muted with the dollar hovering near a one-month high. Indonesian President Joko Widodo said China's Xi Jinping and Russia's Vladimir Putin plan to be at a Group of 20 summit in Bali later this year. That sets up a showdown with US President Joe Biden and other leaders as Russia continues its war in Ukraine.

Meanwhile, mixed Federal Reserve policy signals on the likely pace of interest-rate hikes and continued concerns about economic slowdowns in the US and China also weighed on prices. Aluminum and zinc had climbed earlier this week after soaring temperatures and record-high energy costs led to production being curtailed in China and Europe.

# Copper Morning Technical (4-hour)



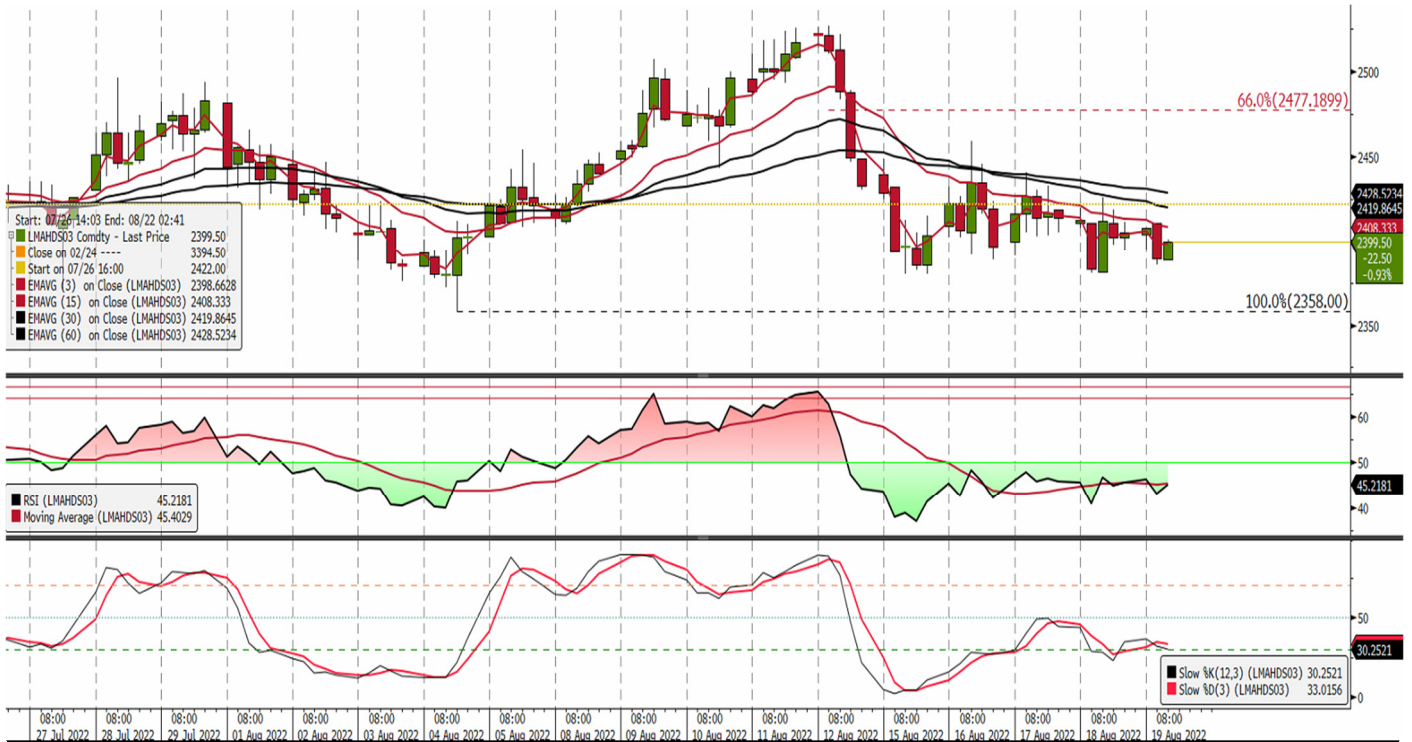
	Support	Resistance	Current Price	Bull	Bear
S1	7,810	R1	8,085		Stochastic overbought
S2	7,732	R2	8,095		
S3	7,602	R3	8,214		

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is at 50 (50)
- Stochastic is overbought
- Price is below/on the daily pivot point USD 7,989
- Technically bullish but in a corrective phase yesterday, there were signs that we could be transitioning to the sell side as price had moved lower on the back of a negative divergence, broken a trend support with price trading below the EMA support band. The futures held above key support resulting in price trading to a high of USD 80,85 before selling off on the Asian open. The futures are now trading in the EMA support band with the RSI trading around the 50 level, price and momentum are conflicting.
- A close on the 4-hour candle above USD 7,989 with the RSI at or above 52.5 will mean price and momentum are aligned to the buy side. Likewise, a close below this level with the RSI at or below 48 will mean it is aligned to the sell side.
- The downside move in the futures held the USD 7,810 level, supporting a bull argument, However, the upside moves failed to trade above the USD 8,095 resistance leaving the futures vulnerable to a test to the downside. Price is trading in the EMA support band, which is flat, with the futures back below its trend line.
- Bullish based on price the technical is neutral based on the futures holding key support and resistance levels whilst the flat EMA's are indicating the trend itself is unstable and neutral.

# Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,380	R1	2,399		RSI below 50
S2	2,358	R2			
S3	2,310	R3			

Source Bloomberg

## Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (45)
- Stochastic is below 50
- Price is below the daily pivot point 2,404
- A neutral technical yesterday due to the symmetrical triangle pattern resulted in the futures breaking to the downside. However, the futures failed to hold resulting in price trading back into the previous consolidation zone, indicating pattern failure. Price is below the EMA resistance 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 2,404 with the RSI at or above 47.5 will mean price and momentum are aligned to the sell side. Upside moves above the USD 2,426 and USD 2,459 fractal resistance levels will warn that the USD 2,477 level could come under pressure. If we reject USD 2,477 it will leave the futures vulnerable to further tests to the downside, whilst above it the futures have a neutral bias.
- Downside moves below USD 2,380 will target the USD 2,358 fractal support.
- Technically bearish with a neutral bias due to price consolidation, the RSI is warning that the futures could produce a positive below USD 2,380, suggesting caution on a downside breakout

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,471	R1	3,510	Stochastic oversold	RSI below 50
S2	3,413.5	R2			
S3	3,267	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (49)
- Stochastic is oversold
- Price is above the daily pivot point USD 3,471
- Technically bearish yesterday with price looking like it has completed a bullish intraday Elliott wave cycle the futures are currently moving sideways to slightly higher with price trading in the EMA support band. The RSI at 49 is near neutral whilst intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 3,471 with the RSI at or above 51.5 will mean price and momentum are aligned to the buy side. Likewise, a close below this level with the RSI at or below 47 will mean it is aligned to the sell side. Upside moves that fail at or below USD 3,681 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 3,819 is the intraday technical considered as bullish.
- The futures are bearish based on price having made a lower low in what looks to be wave cycle completion. Price is currently trading in the EMA support band, which is now flat, indicating a lack of trend in the market. The RSI is near neutral at 49 with the stochastic in oversold territory. If the RSI moves above 50 then momentum will be vulnerable to a test to the upside, warning resistance levels could be tested. However, if the RSI remains below 50 the faster moving stochastic is considered less relevant.



# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	21,953	R1	22,000		RSI below 50
S2	21,020	R2			
S3	20,616	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is on the EMA support band (Black EMA's)
- RSI is below 50 (48)
- Stochastic is below 50
- Price is above the daily pivot point USD 21,953
- We continue to see the futures in a ranging environment with price having opened higher coming under pressure. The futures are trading below a flat EMA support band with the RSI below 50, intraday price and momentum are conflicting
- A close on the 4-hour candle below USD 21,953 with the RSI at or below 46 will mean price and momentum are aligned to the sell side. Likewise, a close above this level with the RSI at or above 50.5 will mean it is aligned to the buy side.
- Neutral on price supported by flat EMA's

# Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,047	R1	2,070	Stochastic oversold	RSI below 50
S2	2,001	R2	2,115		
S3	1,942	R3	2,134		

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (39)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,070
- We noted yesterday that there were concerns on the technical, although bullish based on price the previous wave length warned that we are seeing momentum slowdown whilst an RSI below 50 with a bearish MA warned the technical was very vulnerable. The futures have moved lower with price below the EMA support band whilst the RSI is below 50, price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,088 with the RSI at or above 47 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,160 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 2,217 high.
- The deep pullback in the futures means we have a neutral bias, we maintain our view that the futures are not considered a technical buy at this point.