

China

China stepped up its economic stimulus with a further 1 trillion yuan (\$146 billion) of funding largely focused on infrastructure spending, support that likely won't go far enough to counter the damage from repeated Covid lockdowns and a property market slump.

The State Council, China's Cabinet, outlined a 19-point policy package on Wednesday, including another 300 billion yuan that state policy banks can invest in infrastructure projects, on top of 300 billion yuan already announced at the end of June. Local governments will be allocated 500 billion yuan of special bonds from previously unused quotas. (Bloomberg).

Cu

Copper advanced with base metals as fresh Chinese stimulus eased concerns over demand from the top metal consuming economy and tight global supply supported prices.

China stepped up its economic stimulus with a further 1 trillion yuan (\$146 billion) of measures to bolster growth and curb the fallout of repeated Covid lockdowns and the crisis in the property market. The country's Cabinet outlined a 19-point package on Wednesday, including a 300 billion yuan investment in infrastructure projects, which will boost the consumption of industrial metals.

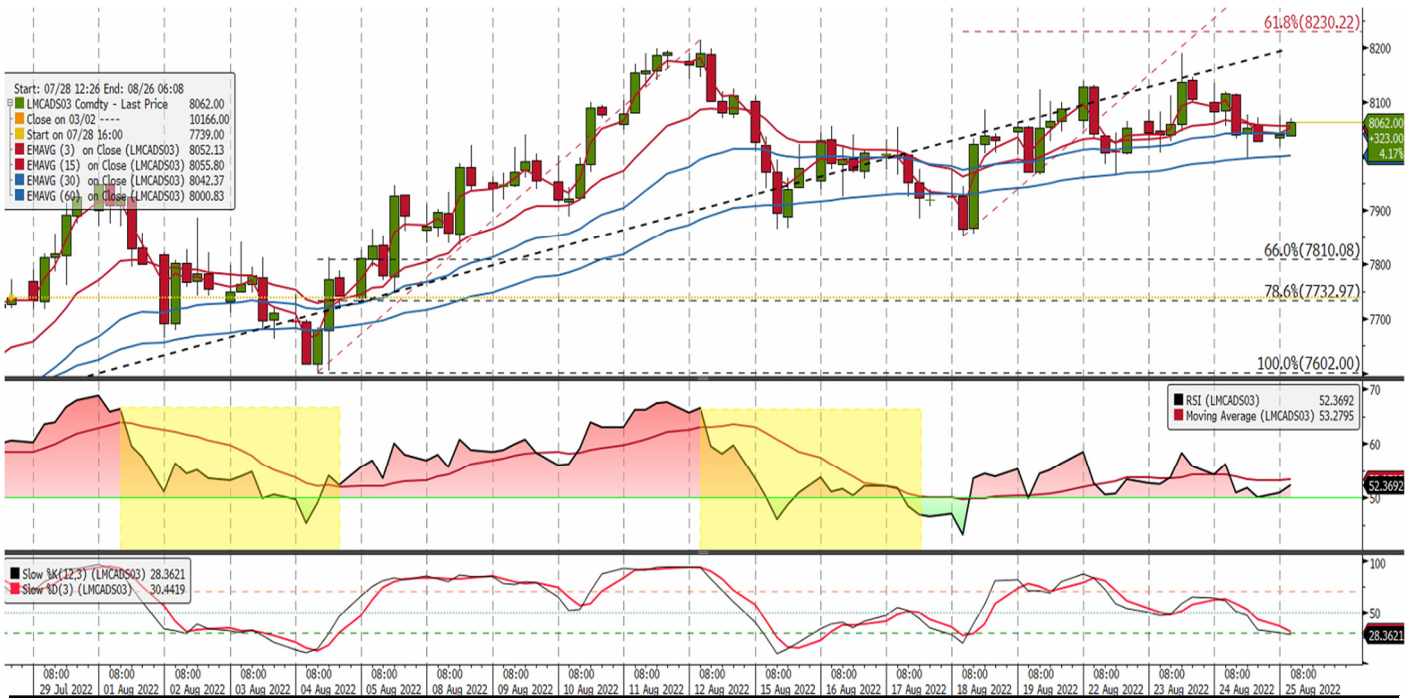
Metals have been trading in a narrow range this month as traders assess production losses in Europe and China driven by an energy supply crisis and weakening demand as global business activity contracts. On the power front, European natural gas prices surged to fresh highs, intensifying an energy crisis that has slashed aluminum and zinc output (Bloomberg).

Al

Aluminum edged higher in London, with a worsening demand outlook countering supply cuts brought on by the energy crisis.

Prices rose after aluminum producer Speira GmbH said it is considering cutting production at its German smelter to 50% of total capacity, as surging energy costs squeeze power-intensive industries across Europe. The energy crisis already cut half the region's aluminum and zinc production capacity in the past year (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	7,995	R1	8,214	RSI above 50	
S2	7,966	R2	8,230		
S3	7,810	R3	8,333		

Synopsis - Intraday

Source Bloomberg

- Price is in the EMA support band (Black EMA's)
- RSI is above 50 (52)
- Stochastic is oversold
- Price is above the daily pivot point USD 8,042
- Technically bullish yesterday but not considered a technical buy based on our wave analysis, the futures traded down to the base of the EMA support band. The futures have moved higher in the night session with price back above the support band whilst the RSI is above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 8,042 with the RSI at or above 55.5 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.
- Technically we remain bullish but with a neutral bias due to the depth of the pullback yesterday. The daily technical is trading in the EMA resistance band which is the reason we are consolidating around these levels. The RSI is above 50 with the stochastic in oversold territory, near-term momentum is warning we could test upside resistance levels, providing the RSI can hold above 50. However, based on our intraday wave analysis we maintain our view that the futures are not considered a technical buy on new highs at this point.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,427	R1	2,477	RSI above 50	
S2	2,358	R2	2,527		
S3	2,310	R3	2,536		

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (54)
- Stochastic is above 50
- Price is above the daily pivot point 2,427
- Having moved higher in the night session price came under pressure yesterday before finding support into the market close. Price is again higher in the night session (Asian day) meaning the futures are above the EMA resistance band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4- hour candle below USD 2,427 with the RSI at or below 49 will mean price and momentum are 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.
- Technically we remain neutral in a consolidation phase, however price and momentum are to the buyside with yesterday's downside move finding support on the EMA resistance band, warning upside resistance levels have the potential to be tested in the near-term.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,505	R1	3,563	RSI above 50	Stochastic overbought
S2	3,450	R2			
S3	3,413.5	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (54)
- Stochastic is overbought
- Price is below the daily pivot point USD 3,505
- The trend remains technically bearish, but we are seeing a move to the upside with the futures breaking the consolidation phase to the upside. Price is above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 3,505 with the RSI at or below 47.5 will mean price and momentum are 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.
- Technically bearish, the break from consolidation to the upside is warning the Fibonacci resistance zone could be tested. This also mean that the consolidation phase should in theory act as a support zone, if we do close on the 4-hour candle below USD 3,505 we suggest caution around the USD 3,490 area, as this will be a key level within the consolidation zone. If broken the USD 3,413.50 low becomes vulnerable.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	21,020	R1	21,541	Stochastic oversold	RSI below 50
S2	20,616	R2	23,277		
S3	20,500	R3	24,090		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (43)
- Stochastic is oversold
- Price is below the daily pivot point USD 21,541
- Technically bullish with a neutral bias yesterday, weakening momentum warning that the USD 21,020 support could come under pressure. The futures traded to a low of USD 21,300 before finding some light buying support into the close. We remain 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 21,541 with the RSI at or above USD 21,541 with the RSI at or above 49 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.
- Technically bullish with a neutral bias, support held yesterday with the rest of the base complex bid this morning, suggesting we have the potential to test and trade above the USD 21,541 pivot on the open.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	1,967	R1	1,985		RSI below 50
S2	1,935	R2			
S3	1,845	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (39)
- Stochastic is below 50
- Price is above the daily pivot point USD 1,967
- Technically bearish with the EMA's starting to widen, we see upside moves as countertrend at this point due to the RSI making new lows. The downside moves held above the USD 1,935 support yesterday resulting in the futures moving higher. Price is below the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 1,967 with the RSI at or below 33 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,123 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- We have seen a significant downside move that has taken the technical into bearish territory. We have a bullish gap from the 18/07/22 (USD 1,935 – USD 1,845) which will act as a support zone; however, markets do like to close gaps, so in time the USD 1,845 level will be a target for market sellers. In the near-term support is holding with price and momentum aligned to the buyside, warning resistance levels could be tested.