

## China

China's export growth continued in August but fell well short of expectations, while imports remained weak, data released on Wednesday showed, in another sign of weak economic recovery.

Exports grew by 7.1 per cent last month from a year earlier to US\$314.92 billion, compared with 18 per cent growth in July, according to China Customs. The August figure was below expectations for a rise of 13.6 per cent, according to Wind, a leading provider of financial information services in China. (Bloomberg).

## Cu/AL

Copper led base metals lower, with aluminum trading at a 17-month low as a surging dollar and China's slower-than-expected export growth added to a deteriorating demand outlook.

Copper fell for the first time in four sessions on deepening concerns over a global slowdown and as the dollar rose to a record on expectations of aggressive monetary tightening by the Federal Reserve. A stronger US currency makes commodities like copper more expensive for most global buyers.

In China, the top metal consuming nation's export growth slowed more than expected in August as global demand weakened and Covid lockdowns disrupted manufacturing production.

In another sign demand is weakening, aluminum stockpiles tracked by the London Metal Exchange surged 11% on Tuesday, the biggest increase since February. Aluminum and other industrial metals have been caught for months in a push-pull between tight physical supplies and fears of a global recession. (Bloomberg)

# Copper Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	7,573		RSI below 50
S2	R2			
S3	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (39)
- Stochastic is above 50
- Price is below the daily pivot point USD 7,690
- We noted yesterday that the futures could test the USD 7,734 – USD 7,805 resistance levels in the European session but momentum warned we were vulnerable to a test to the downside. The futures traded up to USD 7,768 before trading lower into the close and the Asian open. 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 7,690 with the RSI at or above 44 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 7,805 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 7,960 will the intraday technical be bullish.
- Technically bearish, the break down in price on the Asian open is warning we have the potential to see a bearish trend day, suggesting the USD 7,510 support could come under pressure soon.

# Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,257	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Source Bloomberg

## Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (33)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,274
- Technically bearish with price moving higher on the back of a small positive divergence yesterday, price did trade into the previous consolidation zone. However, the recent downside price action supported by the RSI making new lows implied upside moves should be considered as countertrend, indicating resistance levels should hold if tested. Resistance was not tested with price breaking lower for the remainder of the session. The futures are below the EMA resistance band supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,274 with the RSI at or above 38 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 2,305 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish the futures opened near the precious days lows and have now traded lower, warning the USD 2,252 and USD 2,222 support levels are vulnerable.

# Zinc Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	3,093.5	R1	3,185	3,135		RSI below 50
S2	3,073	R2	3,295			
S3	3,005	R3	3,358			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (32.5)
- Stochastic is above 50
- Price is below the daily pivot point USD 3,185
- Yesterday we noted a small resistance zone between USD 3,250 – USD 3,280 that could be an interest to market sellers if tested. The futures traded to a high of USD 3,239.5 before selling lower. 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 3,185 with the RSI at or above 36.5 will mean price and momentum are aligned to the buy side. Likewise, a close below this level with the RSI at or below 32 will mean it is aligned to the sell side. Upside moves that fail at or below USD 3,443 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- The futures are technically bearish having rejected the resistance zone yesterday, suggesting the USD 3,093.5 fractal low is vulnerable, below this level we have the potential to create a positive divergence that will need to be monitored going forward.



# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	21,510	R1	21,739	RSI above 50	Stochastic overbought
S2	21,091	R2	22,200		
S3	20,892	R3	22,455		

## Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is above 50 (51)
- Stochastic is overbought
- Price is above the daily pivot point USD 21,510
- Technically bearish with a neutral bias with momentum to the buy side, we were conscious the futures were entering the previous support zone, warning we could see a momentum slowdown and potentially enter a consolidation phase once again. Price did consolidate yesterday with the futures remaining between the EMA resistance band, the RSI is still above 50 with the price and momentum aligned to the buy side.
- A close on the 4-hour candle below USD 21,510 with the RSI at or below 43.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 20,622 will support a buying argument, below this level the futures will target the USD 20,050 fractal support.
- The technical is bearish with a neutral bias whilst the futures are trading back into the previous support zone, warning we could potentially consolidate once again, if price can hold in the area highlighted on the chart. However, this zone also has the potential to act as resistance, if the RSI moves below 50 then momentum will be vulnerable to a test to the downside, warning the USD 20,622 support could be vulnerable.

# Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	1,885		RSI below 50
S2	R2			
S3	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (38)
- Stochastic is below 50
- Price is above the daily pivot point USD 1,899
- Technically bearish yesterday with the futures moving higher on the back of a positive divergence warning resistance levels had the potential to come under pressure. The futures moved sideways for the remainder of the session. Price is below the EMA resistance band supported by the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 1,899 with the RSI at or below 36 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. Upside moves that fail at or below USD 1,969 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish the futures are moving to the downside, warning the USD 1,875 support is looking vulnerable.