

China

China's Premier Li Keqiang called for more policies to drive up consumption in the economy as latest figures show a further plunge in travel and spending over a three-day public holiday amid tight Covid controls.

Tourism revenue declined 22.8% to 28.7 billion yuan (\$4.1 billion) over the Mid-Autumn Festival from a year ago. Compared with pre-pandemic levels in 2019, revenue was down 39.4%, worse than last year's 21.4% drop, according to figures from the Ministry of Culture and Tourism. The number of trips fell 16.7% to 73.4 million from the same period last year (Bloomberg)

Cu

Aluminum smelters in China's Yunnan province are being forced to reduce activity due to a drought-induced shortage of hydropower, according to people with knowledge of the issue.

Yunnan -- which accounts for 13% of China's aluminum capacity -- has been asking producers to cut operating rates from as early as last weekend, said one of the people, who asked not to be named because the information isn't public. Most smelters were ordered to lower output by 10% and the duration and scale of the cuts will depend on the power supply (Bloomberg)

Ni

CME Group Inc. said it has been talking to clients about potentially serving the nickel market, a comment that comes months after an unprecedented squeeze in the London nickel market sent the price of the metal soaring by 250% in just two days.

"We're seeing customers now quadruple their aluminum business with us while we also work with them to talk about what needs we might be able to serve in the nickel market specifically to make sure that if they were going to move their business, we've built the right market solution for them," Derek Sammann, CME's global head of commodities, said at the Barclays Global Financial Services Conference. "When we saw the problems of the LME back in March, the first thing we did is get a series of phone calls from customers saying, all right, well I now understand how the LME's risk management principles work and that doesn't work for me." (Bloomberg)

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	7,944	R1	8,043	RSI above 50	Stochastic overbought
S2	7,820	R2	8,129		
S3	7,806	R3	8,145		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (59)
- Stochastic is overbought
- Price is below the daily pivot point USD 7,944
- Technically bullish based on the higher highs in the intraday futures we continue to remain cautious due to the resistance gap and an unclear wave cycle. The futures moved higher yesterday on dollar weakness resulting in the futures testing the resistance gap once again. 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 7,944 with the RSI at or below 55.5 will mean price and momentum are aligned to the sell side. Downside moves that trade below and close below the USD 7,820 fractal support will warn that the USD 7,667 support could be tested.
- Upside moves will have a near-term target at USD 8,129, as this is the top of the bearish gap.
- Technically bullish on the intraday the RSI is now in divergence with the RSI whilst price is back in the resistance zone. Not a sell signal, the futures are not considered a technical buy at these levels.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,296	R1	2,340	2,306	
S2	2,270	R2	2,374		
S3	2,256	R3	2,419		

Source Bloomberg

Synopsis - Intraday

- Price is between the EMA resistance band (Black EMA's)
- RSI is at 50 (50)
- Stochastic is below 50
- Price is above the daily pivot point USD 2,296
- Sideways to slightly higher in the futures yesterday with price now trading in the EMA resistance band with the RSI neutral at 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,296 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 2,419 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 2,515 high.
- The RSI is neutral whilst the EMA resistance band is starting to flatten, indicating a lack of trend in the market. The downside move on the 09/09 means that the intraday technical although bullish has a neutral bias.
- As noted yesterday the intraday is bullish with a neutral bias but the daily technical remains vulnerable to further tests to the downside. A Doji star on the daily technical would suggest there is indecision in the market at this point.

Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	3,233	RSI at 50	
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is at 50 (50)
- Stochastic is above 50
- Price is above the daily pivot point USD 3,205
- Technically bullish yesterday with the futures rejecting the resistance zone. Price did move higher earlier in the session before moving sideways for the rest of the day. We have moved higher on the Asian open with the futures trading back into the resistance zone, price is between the EMA resistance band with the RSI neutral at 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 3,205 with the RSI at or below 44 will mean price and momentum are aligned to the sell side. Downside moves below USD 3,143 will be below fractal support, warning the USD 3,092 low is vulnerable.
- The intraday technical remains bullish based on price; however, the futures are stalling at the resistance zone with the EMA resistance band now flattening, suggesting there is some neutrality in the market at this point. The intraday technical is bearish with the futures remaining vulnerable below USD 3,443 and neutral above on the higher timeframe.
- An unconvincing intraday bull at this point.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	23,975	R1	24,550	RSI above 50	Stochastic overbought
S2	23,303	R2	24,836		
S3	22,895	R3	25,200		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (70)
- Stochastic is overbought
- Price is above the daily pivot point USD 23,975
- Technically bullish yesterday with price closing above the resistance zone, we did have a minor negative divergence that needed to be monitored. The futures moved higher with price closing above both the USD 24,090 and USD 24,345 resistance levels, further supporting a bull argument. Price is above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 23,975 with the RSI at or below 56 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 22,343 will support a bull argument, below this level the technical will have a neutral bias. Only below USD 21,170 will the intraday technical be bearish.
- The current intraday bull wave is now greater than 161.8% the previous wave, having moved higher on the back of a bullish head and shoulders pattern. This move is considered as bullish impulse supported by the RSI trading to new highs, implying downside moves should be considered as countertrend at this point.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	1,965	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (59)
- Stochastic is overbought
- Price is above the daily pivot point USD 1,944
- Technically bearish yesterday we noted that the futures were forming a base between USD 1,890 – USD 1,900 level. The futures did test the base support yesterday with price trading above the EMA support band, the RSI remains above 50 with intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 1,944 with the RSI at or below 49.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 1,909 will support a near-term bull argument, below this level the futures will target the USD 1,875 fractal low. Likewise, 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. Only above USD 2,011.5 is the intraday technical bullish.
- Technically we remain bearish with the USD 1,969 resistance now coming under pressure having seen the futures form a base over the previous week. Key support and resistance levels to follow are USD 1,909 – USD 1,969. We are bearish but momentum is currently to the buyside supported by the RSI above 50, the futures now need to break the USD 1,969 resistance, otherwise we could see technical sellers enter the market.