

China

Chinese banks kept their main lending rates unchanged after the central bank paused its monetary easing and defended a weakening yuan, though a cut is still expected by economists in the coming months to counter headwinds to growth.

The one-year loan prime rate was left at 3.65%, according to a statement by the People's Bank of China Tuesday. The rate was last cut by 5 basis points in August. Sixteen of the 17 economists surveyed by Bloomberg had expected the rate to be kept unchanged.

The five-year rate, a reference for mortgages, was also maintained at 4.3%, following a 15-basis point cut last month. Eleven of the 12 economists that gave an estimate had forecast no change (Bloomberg)

Cu/Al

Copper, aluminum and zinc rose modestly before a Federal Reserve rate decision that could be pivotal for demand.

Investors are betting the Fed will hike by 75 basis points on Wednesday, signal rates are heading above 4% and then pause tightening. A larger, so-called super-size increase of 100 basis points could see industrial metals tumble on fears of a recession.

Metal prices have been fluctuating near multi-month lows as higher interest rates spur slowdown angst, Europe's energy crisis worsens and China struggles to move beyond Covid-19. Still, prices are being supported by relatively low inventories and disruptions to energy-intensive aluminum and zinc smelting. (Bloomberg)

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	7,781	R1	7,851	RSI above 50	
S2	7,667	R2	7,909		
S3	7,563	R3	7,987		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (50)
- Stochastic is above 50
- Price is above the daily pivot point USD 7,781
- The futures moved lower yesterday before finding support above the USD 7,667 level resulting in price moving higher on the open. The futures are above the EMA resistance 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 7,781 with the RSI at or below 45 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 7,987 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- The futures traded above the USD 7,867 level on the open yesterday but failed to hold whilst the upside move on the open is currently rejecting the USD 7,851 Fibonacci resistance. The technical remains bearish, a close on the 4-hour candle below USD 7,722.50 will warn that the technical condition could deteriorate further.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,246	R1	2,259	Stochastic oversold	RSI below 50
S2	2,243	R2			
S3	2,233	R3			

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (44)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,262
- Technically bearish but in a consolidation phase the futures moved lower yesterday to close below the symmetrical triangle; however, the futures have closed back above the trend support on the open meaning we do not have a clean break to the downside. 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 2,262 with the RSI at or above 48 will mean price and momentum are aligned to the buy side. Likewise, a close below this level with the will mean it is 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 the technical has a neutral bias.
- The futures remain technically bearish but the breakout to the downside is not clean, warning the futures remain in a consolidation. A close on the 4-hour candle below USD 2,246 (yesterday's low) will support a bearish argument, suggesting the USD 2,233 fractal support could be tested and broken.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,151	R1	3,174		
S2	3,056	R2	3,212		RSI below 50
S3	3,037	R3	3,242		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (45)
- Stochastic is above 50
- Price is above the daily pivot point USD 3,151
- The upside move on the open has resulted in the futures testing the EMA resistance band. The RSI is above 50 with price and momentum aligned to the buyside.
- A close on the 4-hour candle below USD 3,151 with the RSI at or below 40.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 3,212 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 have moved higher on the back of a positive divergence with the RSI. However, at this point the futures remain below the resistance band whilst the RSI is below 50, leaving price vulnerable to further tests to the downside. Below USD 3,056 price will create a second positive divergence, not a buy signal it does warn we have the potential to see a momentum slowdown and will need to be monitored.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	24,440	R1	24,800	RSI above 50	Stochastic overbought
S2	24,295	R2			
S3	24,047	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (60)
- Stochastic is overbought
- Technically bullish on the last report in what looked to be a countertrend Elliott wave 4, suggesting we have another move to the upside to come. The corrective move held above the USD 22,582 support resulting in the futures moving 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 24,440 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 23,710 will support a bull argument, below this level the technical will have a neutral bias. If we trade below USD 22,995 before trading above the USD 25,325 high, it will suggest the futures are in a complex corrective wave 4.
- Technically bullish, the futures look to be on an Elliott wave 5, implying we have a potential upside target as high as USD 26,254. However, above USD 25,325 the futures will have achieved the minimum requirement for wave/phase completion, meaning the RSI will be in divergence. Not a sell signal it does warn that we have the potential to see a momentum slowdown and will need to be monitored.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	1,890.5	Stochastic oversold	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 (42)
- Stochastic is oversold
- Price is above the daily pivot point USD 1,887
- Bearish/neutral on the last report the futures had traded below the USD 1,911 support, indicating buy-side momentum was weak. The futures traded to a low of USD 1,880 with price remaining below the EMA resistance band supported by the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 1,887 with the RSI at or above 43 will mean price and momentum are aligned to the buy-side. Likewise, a close below this level with the RSI at or below 38.5 will mean price and momentum are aligned to the sell side.
- The technical is bearish but price consolidated yesterday, downside moves below USD 1,875 will create a positive divergence with the RSI, this will need to be monitored as it suggests caution on downside moves.