

China

China's current interest rates are "reasonable" and provide room for future policy action, the People's Bank of China said, adding to expectations it may resume lowering rates in coming months.

Real interest rates in the country are "slightly lower" than the pace of potential economic growth, the central bank said in a statement posted late Tuesday on its verified WeChat account. Such a situation helps make debt sustainable and provides the government with "extra" policy scope, it said. (Bloomberg)

Al

United Co Rusal International PJSC is working on a plan to deliver some aluminum directly to London Metal Exchange warehouses in Asia, as the Russian company struggles to find buyers.

Rusal isn't under Western sanctions but it's nonetheless being hit as some big consumers in Europe and the US refuse to keep buying its metal. At the same time, domestic demand is slumping with the Russian economy in recession.

What Rusal will do with its excess production is one of the hottest topics of discussion among metal traders, with some fearing that large deliveries to the exchange could cause LME prices to diverge from the global aluminum market. (Bloomberg)

Zn

Zinc climbed after data from China showed supply dropping, ahead of a Federal Reserve meeting that could be pivotal for the demand outlook.

Chinese zinc output last month fell 5.2% year-on-year, according to China's statistics bureau. Stockpiles held by the London Metal Exchange also declined by the most since February 2019, though the amount of metal immediately available to withdraw was unchanged. (Bloomberg)

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	7,667	R1	7,762		RSI below 50
S2	7,601	R2	7,875		
S3	7,510	R3	7,909		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (46)
- Stochastic is below 50
- Price is below the daily pivot point USD 7,762
- Technically bearish yesterday with the upside move rejecting the USD 7,851 Fibonacci resistance, the futures did move lower but failed to produce a close on the 4-hour candle below USD 7,722.5 (low intraday close USD 7,724). 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 7,762 with the RSI at or above 50.5 will mean price and momentum are aligned to the buyside. 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.
- Technically we are bearish, but the EMA band is flat indicating a lack of any real trend in the market, if the 4-hour candle closes below USD 7,22.50 then we could see a further weakening in the futures, with price looking to test the USD 7,601 and USD 7,563 fractal support levels.

Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,239	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 (41)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,296
- Technically bearish yesterday the downside breakout in from the symmetrical triangle was not clean with price failing to close below the USD 2,246 level. The futures are now moving lower with price 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 2,296 with the RSI at or above 49.5 will mean price and momentum are aligned to the buyside. 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.
- Technically bearish the futures are trading below the USD 2,246 low from two days ago, if the 4-hour candle closes below this level it will warn of the potential for further technical weakness. However, a new low will create a positive divergence with the RSI, not a buy signal this will need to be monitored in case we see a momentum slowdown. Conversely, a close on the intraday candle above USD 2,268 will indicate momentum based on price is improving, meaning we have the potential to trade back into the consolidation zone.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,099	R1	3,133		RSI below 50
S2	3,056	R2			
S3	3,044	R3			

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 below the daily pivot point USD 3,148
- As noted yesterday the futures remained technically bearish with price remaining below the EMA resistance band, leaving the futures vulnerable to further tests to the downside. However, the futures have rallied on the back of a positive divergence which will need to be monitored, price is slightly lower but with little real significant movement. The futures are below the EMA resistance band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 3,148 with the RSI at or below 43 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 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, price is consolidating a little at this point. If we do close on the 4-hour candle below USD 3,124 we could see the USD 3,056 resistance come under pressure. However, the divergence remains a concern, suggesting caution on downside moves.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	24,870	R1	25,010	RSI above 50	Stochastic overbought
S2	24,357	R2	25,632		
S3	24,097	R3	26,254		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (61)
- Stochastic is overbought
- Price is above the daily pivot point USD 24,870
- Technically bullish yesterday with the futures looking like we are on a bullish Elliott wave 5. Price did move higher but is currently failing to hold above the USD 25,010 Fibonacci resistance at this point. We remain above the EMA support bands with the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 24,870 with the RSI at or below 56.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 23,744 will support a bull argument, below this level the technical will have a neutral bias. As highlighted yesterday, 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 we remain bullish with a potential upside target as high as USD 26,254. Upside moves above USD 25,325 will mean the minimum requirement for wave/phase completion has been achieved; however, this will create a negative divergence with the RSI, not a sell signal it does warn of the potential for a momentum slowdown and will need to be monitored.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	1,844	R1	1,879	Stochastic oversold	RSI below 50
S2	1,798	R2			
S3	1,740	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (40)
- Stochastic is oversold
- Price is on the daily pivot point USD 1,878
- Technically bearish yesterday with downside moves below USD 1,875 creating a positive divergence, suggesting caution. The futures did trade to a new but price has moved higher on the Asian open. The futures are 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 1,878 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 it is aligned to the sell side. Upside moves above USD 1,902.5, or a close on the 4-hour candle above USD 1,890 will warn that momentum based on price is firming, warning resistance levels could come under pressure.
- Technically bearish but in divergence, the futures are not considered a technical sell at these levels.