

News

Central banks around the world moved Thursday to combat the effects of a soaring dollar and rising inflation, joining the Federal Reserve in risking a recession to rein in climbing prices.

In a flurry of central-bank meetings from Norway to South Africa, many raised rates by larger-than-expected margins in a day that analysts at ING billed as "Super Thursday."

The Bank of England raised its key interest rate for the seventh consecutive time on Thursday. Before the news came out, the British pound briefly touched its lowest point in 37 years against the dollar before recovering some of its losses to reach \$1.13.

Even some countries that didn't move rates -- the Bank of Japan left its policy rate at its previous low level -- took other action to ease the growing inflation pressure.

Japan said Thursday it intervened in currency markets to sell dollars and buy yen, the first such intervention in 24 years, to slow the recent fall in the Japanese currency. The yen fell to 145.87 to the dollar, its weakest level since 1998, before the intervention. It then surged to hit 141 yen, though still far off the 115 yen mark at which the dollar was trading earlier this year. (Bloomberg)

Al

Aluminum is on the cusp of a fourth straight weekly decline, extending this year's slump, amid mounting concerns about the level of demand -- especially in crisis-hit Europe.

The metal used in everything from fizzy-drink cans to car parts has lost about 45% since spiking to a record in March, just after Russia's invasion of Ukraine. Fears that surplus Russian metal will end up in global warehouses, and worries that the decline in demand will accelerate, have spurred the plunge, while this week's wave of global monetary tightening has only made matters worse.

"Macro factors have crushed the aluminum bull case," Wolfe Research analyst Timna Tanners said. "Despite supply-side constraints and limited new capacity, demand has disappointed from China and amid Europe's energy crisis." (Bloomberg)

Copper Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	7,563	R1	7,696	7,624		RSI below 50
S2	7,601	R2	7,732			
S3	7,533	R3	7,778			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (42)
- Stochastic is below 50
- Price is below the daily pivot point USD 7,696
- A mixed day in the futures yesterday, the futures traded down to the support zone highlighted before finding resistance at the EMA band, resulting in sideways action. The RSI remains below 50 with price and momentum aligned to the sell side.
- A close on the 4-hour candle above USD 7,696 will mean price and momentum are aligned to the sell side. The upside move did take the technical into neutral territory; however, the subsequent downside move warns we remain technically weak.
- Price is now testing the support zone, downside moves below USD 7,590, or a close candle below USD 7,632 will warn that the USD 7,563 and USD 7,510 support levels will be vulnerable.
- Technically bearish with price and the RSI looking to test their respective support zones, suggesting we could see buying support at lower levels.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,192	R1	2,222		RSI below 50
S2	2,175	R2	2,253	2,209	
S3	2,152	R3	2,271		

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (40)
- Stochastic is below 50
- Price is below the daily pivot point USD 2,222
- We are seeing signs that the downside move has the potential to exhaust soon. However, yesterday's upside move failed below the EMA resistance band resulting in the futures weakening on the Asian open. 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 below USD 2,222 with the RSI at or below 38.5 will mean price and momentum are aligned to the sell side. Likewise, a close above this level with the RSI at or above 43 will mean it is aligned to the buyside. Upside moves that fail at or below USD 2,294 will leave the futures vulnerable to further tests to the downside.
- The technical is bearish with the futures moving lower, a downside move below USD 2,198 has the potential to create another positive divergence whilst price is approaching Fibonacci support at USD 2,192, suggesting caution on moves to the downside.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,056	R1	3,098	Stochastic oversold	RSI below 50
S2	3,044	R2			
S3	2,959	R3			

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 3,115
- Technically bearish with the futures rolling to the downside yesterday, however price remained in divergence which need to be monitored. Having rejected the upside resistance, the futures moved sideways for the remainder of the day with price slightly lower 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 40-hour candle above USD 3,115 with the RSI at or above 46 will mean price and momentum are aligned to the buy side. Likewise, a close below this level with the RSI at or below 42.5 will mean it is aligned to the sell side.
- Technically bearish but in divergence with the RSI which will need to be monitored the futures are starting to approach downside support levels.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	24,347	R1	24,608	RSI above 50	
S2	23,914	R2	25,632		
S3	23,573	R3	26,254		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (53)
- Stochastic is below 50
- Price is below the daily pivot point USD 24,608
- Technically bullish with price in divergence that will need to be monitored as we look to be on a bullish Elliott wave 5. The futures moved lower yesterday with price now testing the EMA support band, the RSI remains above 50 with price and momentum now conflicting.
- A close on the 4-hour candle above USD 24,608 will mean price and momentum are aligned to the buy side. Likewise, a close below this level with the RSI at or below 52.5 will mean it is aligned to the sell side. Downside moves that hold at or above USD 23,914 will support a bull argument, below this level the technical will have a neutral bias.
- Upside moves that close on the 4-hour candle above USD 25,000 will warn that the USD 25,700 resistance could be vulnerable. The futures are on a bullish 5th wave but in a corrective phase with key support at USD 23,914, upside moves that trade to a new high will create a further divergence with the RSI, suggesting the futures will not be considered a technical buy on a new high.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	1,834	R1	1,851		RSI below 50
S2	1,803	R2			
S3	1,763	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 below the daily pivot point USD 1,864
- A cautious bear due to the divergence yesterday, lower timeframe wave analysis suggested we had the potential for one more test to the downside. The futures moved higher, held the EMA resistance band to close nearly unchanged on the day. The RSI is below 50 with price and momentum now conflicting.
- A close on the 4-hour candle above USD 1,864 will mean price and momentum are aligned to the buy side. Likewise, a close below this level with the RSI at or below 36.5 will mean it is aligned to the sell side.
- Upside moves that fail at or below USD 1,926 will leave the futures vulnerable to a test to the downside, above this level the technical will have a neutral bias.
- Technically bearish, downside moves below USD 1,834 will create a second divergence with the RSI, warning the trend has the potential to exhaust soon.