

## China

China should further loosen credit policies for home purchases in parts of the nation, the Chinese central bank-backed Financial News reported, citing Dong Ximiao, an analyst at a MUCFC, a joint venture under China Merchants Bank. Proposed measures Dong suggested are: Cut down-payment thresholds for home purchases: Cut mortgage rates (Bloomberg).

## Al

Aluminum extended Thursday's record surge, after the London Metal Exchange's potential ban on Russian metal exports exacerbated supply concerns.

The metal jumped by a record 8.5% on Thursday before paring some gains, after Bloomberg reported the bourse plans to launch a discussion paper on whether and under what circumstances it should block new supplies of Russian metal from being delivered to its network of warehouses. (Bloomberg)

## Zinc

Zinc rebounded from the lowest close in 15 months, and aluminum gained, after the Bank of England's bond-buying program aided sentiment, and traders bought metal ahead of a week-long holiday in China.

Stocks and other risk assets rose after the U.K central bank pledged to buy government debt to avoid a systemic crash. A gauge of base metals prices earlier this week had hit its lowest level since February 2021, after the dollar's surge to fresh highs piled pressure on commodities amid a weakening global economy. (Bloomberg)

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	7,472	R1	7,535	RSI above 50	Stochastic oversold
S2	7,444	R2			
S3	7,343	R3			

## 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 7,472
- Technically bullish based on the higher high with the lower timeframe cycle now completed the futures moved higher yesterday. Price is now trading within the EMA resistance band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 7,472 with the RSI at or below 42.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 7,343 will support a bull argument, below this level the technical will have a neutral bias.
- An adjustment to the Fibonacci resistance levels. Upside moves that fail at or below USD 7,652 will warn that we have the potential to start another bearish wave cycle, above this level we target the USD 7,785 fractal resistance. This is a key level on the daily chart, upside moves above this level will put the daily technical in bullish territory.
- Technically bullish the futures are trading in the EMA resistance band which are now flat, implying that we are no longer in a trending environment. Key resistance is at USD 7,652, above this level will further support a buyers argument.

# Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,218	R1	2,287	2,234	RSI below 50
S2	2,192	R2	2,344		
S3	2,156	R3	2,417		

Source Bloomberg

## Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (40)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,218
- We had this current upside move as a countertrend Elliott wave 4 on a lower timeframe, suggesting we should see another test to the downside. However, a sharp upside move in the futures yesterday (see news segment page 1) put price above the USD 2,243 level, meaning the intraday technical is now bullish based on price, indicating the lower timeframe wave count has failed. Price is above the EMA resistance band supported by the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 2,218 with the RSI at or below 40 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,156 will support a bull argument, below this level the futures will have a neutral bias.
- The upside move above USD 2,287 means the higher timeframe wave cycle is now neutral, if we trade above USD 2,344 the wave cycle will have completed.
- Technically bullish, the fact that we have traded above USD 2,243 would suggest the higher time frame wave cycle has completed; however, confirmation only comes on a move above USD 2,344.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,872	R1	2,995		
S2	2,856	R2	3,060		Stochastic overbought
S3	2,791	R3	3,112		

## 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 2,872
- Technically bearish yesterday with the current upside move looking like it is a lower timeframe countertrend wave 4. The futures continue to move higher with price now between the EMA resistance band whilst the RSI is neutral at 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,918 with the RSI at or below 35.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below 3,060 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. We can see on the chart that this area was previously a support zone, in theory this should now act as a resistance zone. Likewise, downside moves that hold at or above hold at or above USD 2,856 will support a near-term bull argument.
- The RSI is neutral at 50 whilst the stochastic is overbought, momentum is vulnerable to a test to the downside, if the RSI moves above and holds above the 50 level then the stochastic becomes less relevant. In theory, Lower timeframe wave analysis would suggest that this current upside move should be countertrend. We are cautious on this wave cycle as the copper cycle has completed, whilst the lower timeframe cycle on Al has failed, this does not mean this cycle will fail but it is something to be aware of, making USD 3,060 a key resistance to follow.



# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	22,388	R1	22,758		RSI below 50
S2	21,259	R2	23,320		
S3	20,050	R3	24,081		

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (44)
- Stochastic is above 50
- Price is below the daily pivot point USD 22,388
- The upside move in the futures is holding below the EMA resistance band; however, this has only just crossed, so the trend is not considered as stable at this point. The futures initially moved lower yesterday before trading above the faster moving averages, again these remain bearish as the shorter period EMA's have not crossed to the buy side. The RSI is below 50 with price and momentum conflicting.
- A close on the 4-hour candle above USD 22,388 will mean price and momentum are aligned to the buy side; likewise, a close below this level with the RSI at or below 38 will mean it is aligned to the sell side. Upside moves that fail at or below USD 24,081 will leave the futures vulnerable to further test to the downside, above this level the technical will have a neutral bias.
- Technically bearish with price rejecting USD 22,758 and the resistance band, warning the technical remains vulnerable. If we trade above USD 23,115, we could test the USD 23,320 and USD 24,081 resistance in the near-term.

# Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	1,855	R1	1,897	RSI above 50	Stochastic overbought
S2	1,836	R2	1,938		
S3	1,819	R3	1,975		

## Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is below 50 (48)
- Stochastic is overbought
- Price is below the daily pivot point USD 1,855
- Momentum warned early on that support levels could be tested resulting in price trading to the top of the Fibonacci support band; however, we held at the first level of support with the RSI closing back above 50. This upside move is now too deep, we have not traded above the USD 1,897 resistance, but the probability of the lower timeframe wave cycle failing has increased dramatically, especially as copper is bullish and AI failed. Price is 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 1,855 with the RSI at or below 47.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at to above USD 1,795 will support a near-term bull argument, below this level the futures will target the USD 1,746 low.
- Technically bearish with a neutral bias, the depth of the upside move into the lower timeframe wave 4 is warning this cycle could fail. Key support is now at USD 1,795.