

## China

The offshore yuan's rally is set to boost the onshore unit once trading resumes after the Golden Week holidays in China, taking the pressure of the central bank to defend the currency. That's because the offshore yuan is poised for its biggest weekly gain since May on the back of the dollar's retreat, as traders bet the Federal Reserve may ease off on its policy tightening. It portends a strong opening for the currency traded in Shanghai after a seventh straight month of losses. (Bloomberg).

## U.S

Equity markets rose Thursday as traders fought to extend this week's global rally, though concerns about the impact of a huge oil output cut on inflation tempered hopes that central banks could soon ease their rate hike campaigns. The mood on trading floors has been a little lighter this week, sending equities surging and weighing on the dollar, after weak readings on US factory activity and job openings fed speculation that the Federal Reserve's strict tightening drive was having an effect. But confidence took a knock Wednesday from a better-than-expected read on private jobs hiring and a report showing the key services sector holding up more than expected. The figures highlighted the resilience of the US economy in the face of multiple rate hikes and point to the long road ahead for the Fed in fighting decades-high inflation. Fed officials have lined up for weeks to insist that they will not budge from lifting borrowing costs until prices are tempered -- even at the cost of a recession -- while some have warned traders not to expect any cuts next year. "After an increase in expectations of an imminent Fed pivot given the softer than expected US (factory data), the strength in the services (sector) not only eases concerns of an imminent US recession, it also refutes any notion that the Fed will look to take its foot off the tighten pedal any time soon," said National Australia Bank's Rodrigo Catril. (Bloomberg)

## metals

Zinc and copper rose after the London Metal Exchange said it will restrict new deliveries of the metals from Russia's Ural Mining & Metallurgical Co. and one of its subsidiaries. That gave support to the industrial metals, which have slumped this year amid concerns over demand from China's Covid Zero-impacted construction sector and a slowing global economy. Zinc is down about 30% since April, while copper has fallen 26% from a March peak. Starting immediately, metal from UMMC or its Chelyabinsk Zinc unit can only be delivered to LME warehouses if the owner can prove to the exchange that it won't constitute a breach of sanctions.(Bloomberg).

# Copper Morning Technical (4-hour)



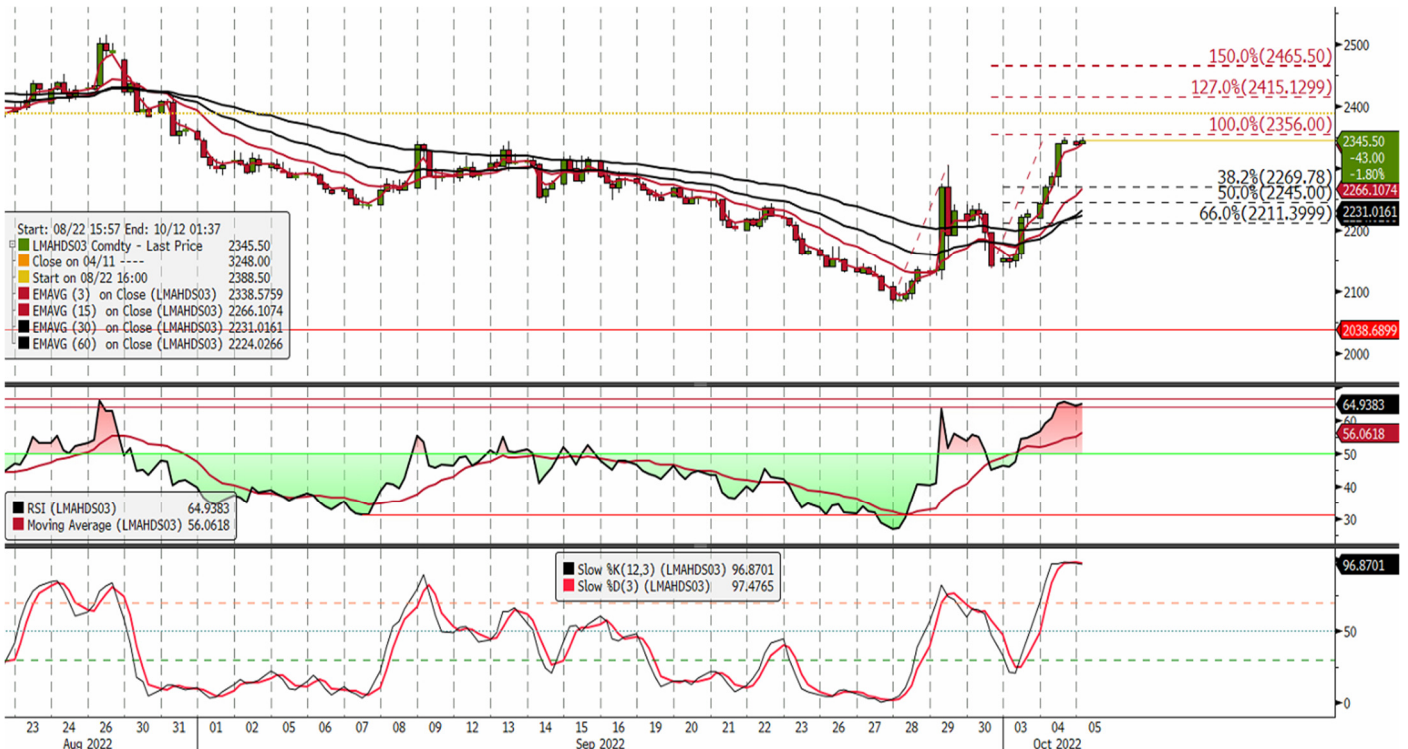
	Support	Resistance	Current Price	Bull	Bear
S1	7,755	R1	7,785	RSI above 50	Stochastic overbought
S2	7,724	R2	7,897		
S3	7,681	R3	7,964		

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (62)
- Stochastic is overbought
- Price is above the daily pivot point USD 7,693
- Technically bullish with a note of caution yesterday due to some lower timeframe divergences yesterday, the futures have moved higher on the back of the London Metal Exchange saying it will restrict new deliveries of the metals from Russia's Ural Mining & Metallurgical Co. and one of its subsidiaries. Price is above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 7,693 with the RSI at or below 54 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 7,681 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish with the futures moving above USD 7,730 to a high of USD 7,858, above USD 7,875 the daily technical will be bullish. Further resistance is at USD 7,897 and USD 7,964. The 30 min RSI is still showing a minor divergence; however, the 4 and 1-hour RSI are making new highs, suggesting downside support levels should in theory hold if tested.

# Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,353	R1	2,415	RSI above 50	
S2	2,340	R2	2,465		
S3	2,322	R3	2,491		

Source Bloomberg

## Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (56)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,335
- Technically bullish yesterday with price above channel resistance, we highlighted the RSI as a key point of focus as it is in a bear resistance zone. The futures have moved higher on the LME metals band with the RSI is showing a minor divergence. Price is above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,335 with the RSI at or below 59.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,322 will support a bull argument, below this level the futures will have a neutral bias.
- The upside move has now put price above the USD 2,356 resistance, meaning we now target the USD 2,415 and USD 2,465 resistance levels. Currently in divergence, this is warning that we have the potential to see a momentum slowdown, as noted on yesterdays technical, if the RSI breaks its resistance zone, then the probability of this move being bullish impulse, rather than part of some form of larger corrective move will increase. Technically bullish but in divergence the RSI remains at key levels.

# Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	3,177	RSI above	Stochastic overbought
S2	R2			
S3	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (64)
- Stochastic is overbought
- Price is above the daily pivot point USD 3,077
- Technically bearish with a neutral bias yesterday. We noted that with other metals in the sector turning bullish alongside the breach in the USD 3,060 resistance, the probability of the futures producing another bear wave to new lows was starting to decrease, whilst the potential to break the USD 3,200 fractal resistance was increasing. Obviously, this move has been driven by the LME metals ban, nonetheless, the warning signs had been there. Price is above all key moving averages 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 3,077 with the RSI at or below 52.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,994 will support a bull argument, below this level the USD 2,891.5 fractal resistance becomes vulnerable.
- The intraday technical is now bullish but the daily technical is bearish with a neutral bias, upside moves above USD 3,200 will create a higher high on the daily chart. The RSI is making new highs, suggesting downside support levels should hold if tested, the depth of this pullback would suggest this move is bullish impulse, meaning we expect the USD 3,200 fractal resistance on the daily chart to be broken. Further resistance is at USD 3,225 and USD 3,254.

# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	22,330	R1	22,588	Stochastic oversold	RSI below 50
S2	21,995	R2			
S3	21,808	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 22,330
- The futures moved higher yesterday putting price between the EMA resistance band with the RSI now above 50, intraday price and momentum are aligned to the buy side. Based on the rest of the sector one would expect the futures to move higher on the open.
- A close on the 4-hour candle below USD 22,330 with the RSI at or below 41.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 24,081 will leave the futures vulnerable to further tests to the downside; as noted yesterday, if we trade below USD 20,940 then key resistance will drop dramatically. Likewise, downside moves that hold at or above USD 21,554 will support a near-term bull argument, below this level the futures will target the fractal low.
- Price is moving higher; we do have a 3-wave pattern to the downside which could have bullish implications going forward. We are conscious that we did not trade to a new low so continue to suggest caution, upside moves above USD 23,115 will warn that the USD 23,320 and USD 24,081 resistance levels will be vulnerable. If we hold below USD 24,081 then we potentially remain in a more complex corrective wave 4.

# Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	1,998	R1	2,083	RSI above 50	Stochastic overbought
S2	1,970	R2			
S3	1,932	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (75)
- Stochastic is overbought
- Price is below the daily pivot point USD 2,003
- Technically bullish yesterday the upside move above USD 1,982 resulted in the USD 2,018 resistance being broken. Price is above all key moving averages 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 2,003 with the RSI at or below 62.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or below USD 1,932 will support a bull argument, below this level the technical will have a neutral bias.
- Bullish on both the intraday and daily technical, the RSI is making new highs suggesting downside moves should be considered as countertrend, as we look to be on a bullish impulse wave 3. Near-term resistance and potential upside target for this phase of the cycle is at USD 2,121.