

China

Citigroup Inc. economists downgraded their projection partly to reflect the delay in property stabilization due to mortgage boycotts. With renewed policy efforts, China property could be approaching the low end of the L-shaped path, analysts led by Xiangrong Yu wrote in a research report. Citi expects China to partially lift its Covid constraints after the 20th Communist Party congress this fall, and move toward a “meaningful reopening” next year after the National People’s Congress. Government would perhaps need to lift the booster vaccination ratio for an “orderly reopening,” they wrote (Bloomberg).

U.S

US CPI Data Matters More to Dollar Than Payrolls

When it comes to how the dollar will perform in coming weeks, US inflation data due next week is a lot more important than US payrolls data. For one thing, there’s a report saying the Fed’s Waller even said he doesn’t expect jobs data Friday will alter his view on need for more interest-rate hikes. For another, if US core CPI rises to 6.5% y/y from 6.3% as forecast in a Bloomberg survey, look for US 2-year yields to push higher taking the dollar with them. Rising core readings would signal that inflation is proving sticky and far from temporary, meaning any “Fed pivot” will remain a long long way away. (Bloomberg Markets live)

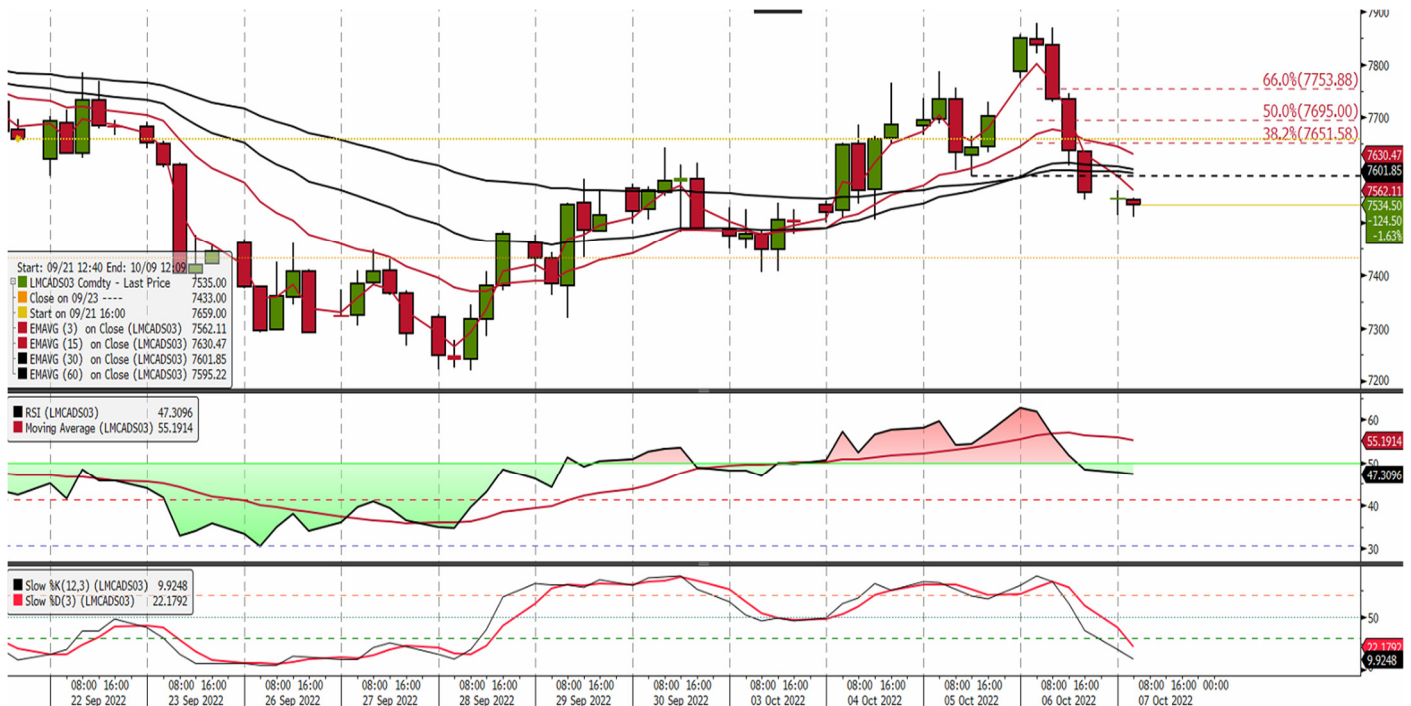
Cu/Al/Ni

Aluminum headed for its biggest weekly advance since March as the London Metal Exchange began a formal discussion on a potential ban on supplies from Russia.

Any move by the LME could have a significant impact on aluminum, nickel and copper, which have so far not been targeted by broad Western sanctions against Moscow. Russian exports of the so-called ‘everywhere metal’ have accounted for as much as three-quarters of LME stockpiles over the past decade, while copper from the country has made up as much as 95%, the exchange said.

The market has been grappling with the question of how to handle Russian production since the invasion of Ukraine in February, but the debate has recently come to a head as the annual ritual of renegotiating supply contracts started. The LME has said it will restrict new deliveries of copper and zinc from Russia’s Ural Mining & Metallurgical Co. and one of its subsidiaries. (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	7,406	R1	7,534	Stochastic oversold	RSI below 50
S2	7,319.5	R2			
S3	7,220	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (47)
- Stochastic is oversold
- Price is below the daily pivot point USD 7,660
- We had expected support levels to hold yesterday based on the 4 and 1-hour RSI making new highs; however, the futures have moved lower, breaking Fibonacci and Fractal support levels, the intraday technical is now bearish. Price is below the EMA support 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 7,660 with the RSI at or above 57.5 will mean price and momentum are aligned to the buy side. upside moves that fail at or below USD 7,753 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 7,879 is the intraday technical bullish.
- A bit of a strange technical yesterday, the futures broke fractal resistance on the daily technical before entering bearish territory on the intraday on the back of a stronger green back, suggesting caution here as U.S. payroll figures are out today.
- Technically bearish, the reversal yesterday does warn we could see support levels come under pressure in the near-term.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,330	R1	2,351	RSI above 50	
S2	2,313	R2	2,381		
S3	2,285	R3	2,420		

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 below the daily pivot point USD 2,351
- We noted over the last couple of days that the RSI was at a key inflection point (bear resistance) if broken it suggested the upside moves could be bullish impulse rather than part of a larger corrective phase. At this point the RSI resistance is holding with the futures moving lower on the negative divergence. Price is above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,351 with the RSI at or above 64 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 2,381 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 2,420 high.
- The technical is bullish but due to the deep pullback we have a neutral bias, meaning the probability of the futures trading to a new high on the next intraday upside move is decreasing, implying the USD 2,285 fractal support is becoming vulnerable. Below this level the intraday technical is bearish.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,042	R1	3,064.5	RSI above	Stochastic overbought
S2	2,994	R2			
S3	2,956	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (53)
- Stochastic is below 50
- Price is below the daily pivot point USD 3,102
- Our expectation had been that the USD 3,200 fractal resistance would be broken, but for now it remains intact. The futures moved lower yesterday having traded to a high of USD 3,193 but price is holding above the EMA resistance band (EMA's have not yet crossed). The RSI is above 50 but price and momentum are now aligned to the sell side.
- A close on the 4-hour candle above USD 3,102 with the RSI at or above 59 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 2,994 will support a bull argument, below this level the technical has a neutral bias. Only below USD 2,891.5 is the technical bearish.
- Technically bullish but in a corrective phase with price and momentum to the sell side, key support to follow is at USD 2,994.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	21,757	R1	22,678	RSI above 50	Stochastic oversold
S2	21,482	R2	22,758		
S3	21,015	R3	23,115		

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is above 50 (51)
- Stochastic is overbought
- Price is below the daily pivot point USD 22,678
- A bit of a mixed day yesterday with price trading higher but failing to close above the USD 22,758 resistance resulting in a relatively flat day in the futures. Price is between the EMA resistance band with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 22,678 will mean price and momentum are aligned to the buy side. Likewise, a close below this level with the RSI at or below 46 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 21,757 will support a near-term bull argument whilst upside moves that fail at or below USD 24,081 will warn we are in a more complex corrective wave 4.
- 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, the upside move above USD 23,115 warns that the USD 23,320 and USD 24,081 resistance levels are vulnerable. If we hold below USD 24,081 then we potentially remain in a more complex corrective wave 4. (largely unchanged, we have traded above USD 23,115, supporting a near-term bull argument)

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	1,998	R1	2,093.5	RSI above 50	Stochastic overbought
S2	1,970	R2	2,121		
S3	1,932	R3	2,150		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (66)
- Stochastic is overbought
- Price is on the daily pivot point USD 2,045
- Technically bullish yesterday the futures have seen a technical pullback. Price is above the 8-21 period EMA's supported by the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,045 with the RSI at or above 70.5 will mean price and momentum are aligned to the buy side. Likewise, a close below this level with the RSI at or below 66 will mean that it is aligned to the sell side. Downside moves that hold at or above USD 1,932 will support a near-term bull argument, below this level the technical will have a neutral bias.
- Technically bullish, we are on a lower timeframe corrective Elliott wave 4, suggesting support levels should hold if tested as the move looks to be countertrend.