

## China

China appears to be playing down the importance of development and reform and opening up of the economy for future legislation, adding to concerns that the government is increasingly prioritizing security and ideology over growth.

A draft amendment to the Legislation Law revamped a list of principles for laws, removing the statement in the opening section that lawmaking should revolve around economic development and adhere to reform and opening up.

Instead, the proposed law says that lawmaking should “adhere to the leadership of the Chinese Communist Party, adhere to the guidance of Marxism-Leninism, Mao Zedong Thought, Deng Xiaoping Theory, the Theory of Three Represents, the Theory of Scientific Development, and Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, to develop a system of socialist rule of law with Chinese characteristics.” (Bloomberg).

## Cu

Demand for copper, one of the last pillars of growth in Chinese raw materials markets blighted by virus outbreaks and a property crisis, may be on the wane.

The metal has been one of the few commodities in China to sustain an increase in demand this year as usage linked to the clean energy transition helped offset the impact of a slowing economy. But imports last month of both metal and ore fell to their lowest in a year or more after factory activity slowed and smelters raised output.

China is facing deflationary pressures as both domestic demand and exports shrivel, and the government shows little sign of abandoning its Covid Zero policies that are crippling the economy. The slump in copper imports comes as new orders decline for the rods and pipes used in housing and appliances, said Mysteel analyst Wang Yu. Chinese inventories are also on the rise, according to Shanghai Metals Market. (Bloomberg).

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	7,880	R1	7,964	RSI above 50	
S2	7,800	R2	8,140		
S3	7,691	R3	8,181		

### Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (57)
- Stochastic is above 50
- Price is above the daily pivot point USD 7,964
- Technically bullish on the back of the symmetrical triangle breakout supported by the RSI above 50, the futures have produced an intraday pullback with the futures moving lower on yesterday and on the Asian open. Price is above that 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 7,964 with the RSI at or above 63 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 7,691 will support a bull argument, below this level the technical will have a neutral bias. Only below USD 7,460 will the technical be bearish.
- The technical is bullish, supported by the RSI moving to new highs, suggesting downside moves should be considered as countertrend. Key support to follow is at USD 7,691 with the symmetrical triangle breakout suggesting we could trade as high as USD 8,296.

# Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,267	R1	2,363.5	RSI above 50	Stochastic overbought
S2	2,248	R2	2,427		
S3	2,217	R3	2,460		

Source Bloomberg

## Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (56)
- Stochastic is overbought
- Price is on the daily pivot point USD 2,325
- On the European open yesterday the futures were trading back into the bull flag; however, the 4-hour candle close put price above trend resistance resulting in sideways action for the remainder of the day. The futures are above the EMA support band with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,325 with the RSI at or above 60.5 will mean price and momentum are aligned to the buy side. Likewise, a close below this level will mean it is aligned to the sell side. Downside moves that hold at or above USD 2,267 will support a bull argument, below this level the technical will have a neutral bias.
- The technical is bullish with price now holding above channel resistance; however, we have not seen a push to the upside at this point which leave the breakout a little vulnerable. The technical is in a better place than yesterday morning, but we still need to see a bullish impulse move, if we do then we could test the USD 2,427 resistance in the near-term.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,812	R1	2,878	RSI above 50	Stochastic overbought
S2	2,782	R2	2,959		
S3	2,740	R3	3,019		

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is below 50 (53)
- Stochastic is overbought
- Price is below the daily pivot point USD 2,878
- Technically bullish on yesterday's report with the futures making new highs, supported by the RSI above 50. The futures did move lower in the U.S session and the Asian open, but price remains above the EMA resistance band with the RSI still above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 2,878 with the RSI at or below 51 will mean price and momentum are aligned to the sell side. Likewise, a close above this level will mean it is aligned to the buy side. Downside moves that hold at or above USD 2,740 will support a bull argument, below this level the technical has a neutral bias.
- Technically bullish with the futures in a corrective phase due to a lower timeframe divergence, making USD 2,740 the key support to follow. Upside moves that trade above USD 2,959 will target the USD 3,019 and potentially the USD 3,193 resistance levels. Failure to trade above this level will leave the technical vulnerable to further downside moves.

# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	23,310	R1	24,300	RSI above 50	
S2	22,584	R2	24,681		
S3	22,256	R3	25,382		

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (58)
- Stochastic is below 50
- Price is above the daily pivot point USD 23,310
- The futures moved lower yesterday but held the EMA support band with the RSI remaining above 50, intraday price and momentum are conflicting as the RSI is below its MA.
- A close on the 4-our candle above USD 23,310 with the RSI at or above 58 will mean price and momentum are aligned to the buyside. Likewise, a close below this level will mean it is aligned to the sell side. Downside moves that hold at or above USD 22,584 will support a near-term bull argument, below this level we target the USD 22,256 and USD 21,700 support levels.
- The technical is bearish/neutral as price remains below the USD 25,700 resistance. However, the support zone has held, upside moves above USD 24,300 will target the USD 25,382 100% Fibonacci projection level that has previously been highlighted. We now have an intraday double top forming between USD 24,290 and USD 24,300 making this a key area of resistance, if broken it will signal upside continuation; if it holds than expect support levels to come under pressure.

# Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,007	R1	2,020	RSI above 50	Stochastic overbought
S2	1,995	R2			
S3	1,979	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (56)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,017
- Technically bullish yesterday the futures traded above the USD 2,044 high on the close before moving a little lower on the Asian open. The futures are above the EMA support band with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 2,017 will mean price and momentum are aligned to the sell side. Likewise, a close above this level with the RSI at or above 60 will mean it is aligned to the buyside. Downside moves that hold at or above USD 1,979 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the RSI has made a new high but the stochastic is in divergence whilst price and momentum are conflicting. Key support to follow is at USD 1,979.