

## China

China signaled more monetary stimulus was on the cards, including a likely cut to the reserve requirement ratio for banks, as it ramps up support for an economy under strain from surging Covid cases and more lockdowns.

The State Council said in a statement Wednesday that monetary tools “such as a RRR cut” will be used “in a timely and appropriate manner” to maintain reasonably ample liquidity. A cut in the RRR -- the amount of cash banks must keep in reserve -- could land as soon as this week, given the central bank usually imposes a reduction within days of a cabinet statement such as this. (Bloomberg).

## Cu

Industrial materials from copper to iron ore rose after China signaled more liquidity easing and Federal Reserve minutes showed support for tapering interest-rate hikes, bolstering the demand outlook for commodities.

Prices have fluctuated in recent months after plunging from a peak in the first half of the year, as metals grapple with deepening concerns over a global recession, elevated energy costs and supply disruptions.

Sentiment improved after official comments Wednesday indicated China’s central bank will allow banks to reduce capital reserves to ramp up support for an economy that’s been under strain from surging Covid cases and increased lockdowns. In the US, minutes from the Fed gathering earlier this month showed several officials backed the need to moderate the pace of rate hikes. (Bloomberg).

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,023	R1	8,086	RSI above 50	Stochastic overbought
S2	7,872	R2			
S3	7,858	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is at 50 (50)
- Stochastic is overbought
- Price is above the daily pivot point USD 8,023
- The trend remains technically bearish; however, the close on the 4-hour candle above USD 8,008 two days ago warned that the futures could be in the early stages of an intraday upside move, which has proven to be the case. Sideways action yesterday has been followed by an upside move on the Asian open with the futures trading to a high of USD 8,105. Price is trading back above the EMA support band with the RSI neutral at 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 8,023 with the RSI at or below 43 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 8,347 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- The intraday technical is bearish but the futures are moving higher on a weaker USD and Chinese stimulus in the property sector. A neutral RSI and an overbought stochastic is warning that momentum is vulnerable to a test to the downside if the RSI moves below 50. If price and momentum become aligned to the sell side, or we see a close on the 4-hour candle below USD 8,000 then the USD 7,858 fractal low will be vulnerable. Key resistance remains unchanged at USD 8,347.

# Aluminium Morning Technical (4-hour)



	Support		Resistance		Current Price		Bull		Bear
S1	2,409	R1	2,441		2,416.50		RSI above 50		
S2	2,355	R2	2,478						
S3	2,342	R3	2,486						

Source Bloomberg

## Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (52)
- Stochastic is above 50
- Price is on the daily pivot point USD 2,409
- Technically bullish yesterday with price holding above the USD 2,342 support, we needed to see the futures trade above, and close above the USD 2,440 resistance on the 4-hour candle to signal upside continuation. The futures traded to a high of USD 2,241 but closed at USD 2,439.5, resulting in price trading lower on the intraday. An upside move on the Asian open means that price is above the EMA support 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 2,409 with the RSI at or below 49.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,342 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, we need to see a close on the 4-hour candle above USD 2,440, if we do, we target the USD 2,486.5 high. Likewise, a close on the 4-hour candle below USD 2,390 will warn that the USD 2,355 fractal support is vulnerable.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,907	R1	2,939		RSI below 50
S2	2,877	R2			
S3	2,793	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (47)
- Stochastic is below 50
- Price is below the daily pivot point USD 2,907
- Largely unchanged on the technical today
- Another day of sideways action yesterday with price continuing to hold the USD 2,877 Fibonacci support. We have seen an upside move on the Asian open, but price remains below the EMA resistance band (the averages have just crossed to the downside, but it is marginal) with the RSI below 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 2,907 with the RSI at or below 41 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,993 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 3,054 and USD 3,190 fractal resistance levels.
- Technically bullish with a neutral bias, the close on the 4-hour candle above USD 2,925 is warning that the USD 2,993 resistance could come under pressure.

# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	26,051	R1	26,717	RSI above 50	Stochastic overbought
S2	24,723	R2	27,587		
S3	23,900	R3	28,767		

## Synopsis - Intraday

Source Bloomberg

- Price is on/above the EMA support band (Black EMA's)
- RSI is at 50 (50)
- Stochastic is overbought
- Price is above the daily pivot point USD 26,051
- Sideways price action yesterday has left the technical largely unchanged. The futures closed on top of the EMA support band with the RSI neutral at 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 26,051 with the RSI at or below 46 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 28,767 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 31,275 high.
- Bullish with a neutral bias, the intraday close above USD 25,895 is leaving resistance levels vulnerable. A close on the 4-hour candle below USD 24,615 will bring the base of the bullish rejection candle in focus (USD 23,900), if broken the USD 23,015 support could be tested and broken. (unchanged).

# Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,109	R1	2,157	RSI above 50	
S2	2,084	R2	2,189		
S3	2,040	R3	2,223		

## Synopsis - Intraday

Source Bloomberg

- Price is between the EMA support band (Black EMA's)
- RSI is at 50 (50)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,109
- Technically bullish but in a corrective phase yesterday the futures did move higher with price testing the top of the EMA support band. The RSI is neutral at 50 with intraday price and momentum aligned to the buyside.
- A close on the 4-hour candle below USD 2,109 with the RSI at or below 44 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,040 will support a bull argument, below this level the technical will have a neutral bias.
- Price and momentum are aligned to the buyside with the 4-hour candle closing above USD 2,116 level yesterday, warning that buyside momentum is improving, meaning the USD 2,157 resistance is vulnerable. Downside moves that close below USD 2,082 have the potential to create a positive divergence, if it does, it will need to be monitored as it will warn we could see a momentum slowdown.