

## China

RIO:SIGNS CHINA CONSUMPTION REBOUNDED,ECONOMY REMAINS VOLATILE (Bloomberg).

## Ni

A supply deficit is keeping nickel prices surging, two years after Tesla Inc.'s Elon Musk pleaded with materials companies to "please mine more nickel, okay?" Even as aluminum and copper prices returned to trade within five-year ranges, nickel remains elevated.

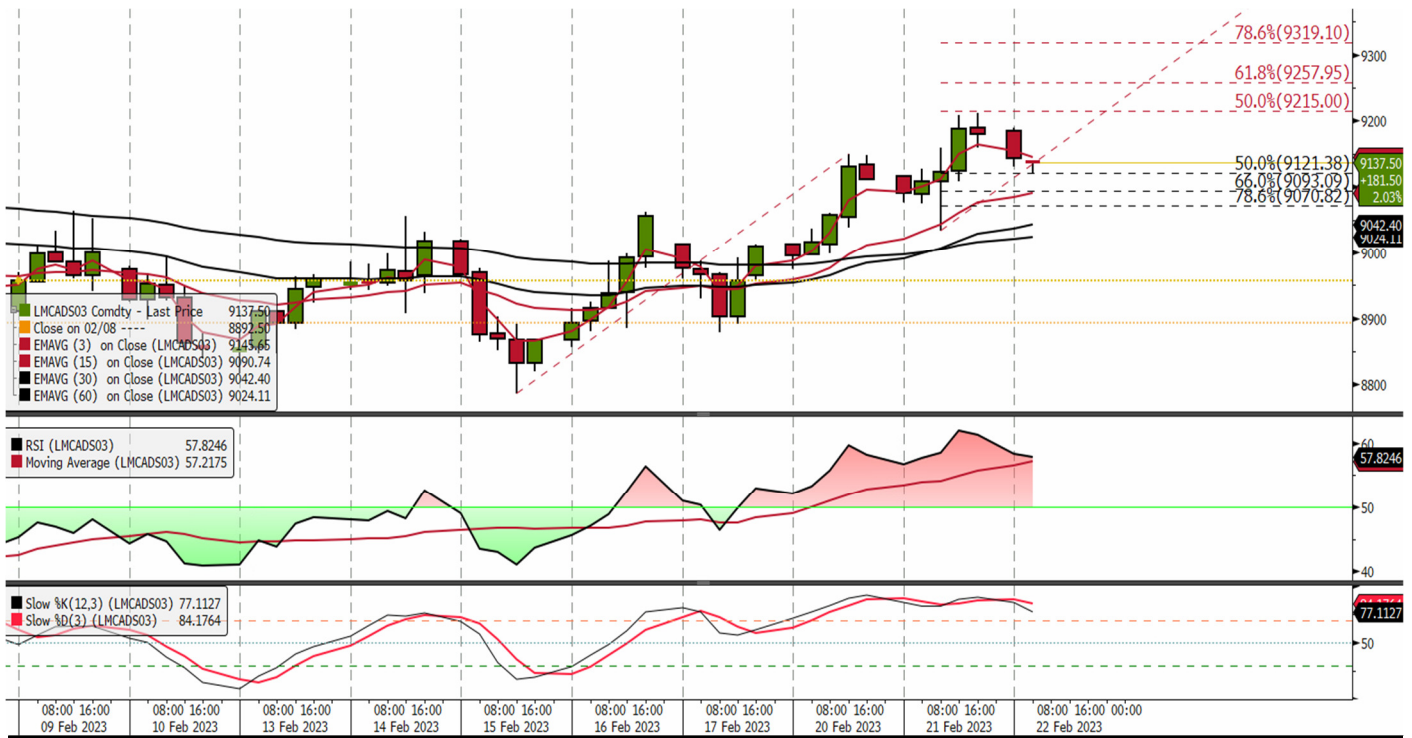
General Motors Co. is competing for a stake in Vale SA's base metals unit, which is already a supplier of nickel for Tesla. Automakers are locking in future nickel deliveries and that has raised the risk of fraudulent nickel cargoes, as recently reported by commodity trader Trafigura Group.

## Pb

LME lead opened at \$2,161/mt and closed at \$2,146.5/mt overnight, down 1.04%. During the Asian trading hours, LME lead fell slowly as the US dollar index stopped increasing sharply. During the European trading hours, LME lead hovered sideways and hit the highest point at \$2,171.5/mt and the lowest point at \$2,126/mt. Open interest fell 11,126 lots to 103,000 lots, and trading volume rose 138 lots to 5,119 lots

The most-traded SHFE 2303 lead contract opened at 15,405 yuan/mt and closed at 15,395 yuan/mt, up 0.23%, after briefly hitting the highest point at 15,445 yuan/mt and the lowest point at 15,375 yuan/mt. Open interest fell 6,510 lots to 34,009 lots, and trading volume declined 41,555 lots to 21,583 lots. (SMM)

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,121	R1	9,148	RSI above 50	Stochastic overbought
S2	9,093	R2	9,215		
S3	9,070	R3	9,257		

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (58)
- Stochastic is overbought
- Price is below the daily pivot point USD 9,148
- Technically bullish supported by the RSI making new highs yesterday, the futures were coming under light pressure on the Asian open; however; lower timeframe Elliott wave analysis suggested that the current intraday pullback looks to be countertrend. The futures traded to a low of USD 9,033 before trading to new highs. Price is 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 9,148 with the RSI at or below 55 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 9,093 will support a bull argument, below this level the technical will have a neutral bias. Only below USD 9,033 is the technical bearish.
- The futures remain technically bullish having made a series of higher highs and higher lows; however, the 1-hour RSI is in divergence, warning we have the potential to see a momentum slowdown, making USD 9,093 the key near-term support to follow. The MA on the RSI does suggest that's buy side momentum is supported at this point; however, with price in divergence on the lower timeframe we have a note of caution, as it needs to be monitored.

# Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,451.5	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Source Bloomberg

### Synopsis - Intraday

- 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 2,463
- Technically bullish yesterday, the futures and the RSI had made a new high with the current wave more than 161.8% the length of the previous wave, suggesting the move was bullish impulse. The MA on the RSI was pointing in an upward trajectory implying momentum was supported at that point; based on the lower timeframe Elliott wave cycle, downside moves should be considered as countertrend. The futures held above Fibonacci support levels yesterday with price trading to a new high. A correction on the Asian open means price is back between the EMA resistance band with the RSI holding above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 2,463 with the RSI at or below 48 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 2,410 will support bull argument, below this level the technical will have a neutral bias.
- The futures remain technically bullish but in a corrective phase with the MA on the RSI continuing to suggest that the futures are seeing momentum support. On the lower timeframe Elliott wave cycle it looks like we have potentially seen an extended wave, suggesting downside moves should still be considered as countertrend at this point.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,085	R1	3,097.5	RSI above 50	Stochastic overbought
S2	3,065	R2			
S3	3,039	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is above 50 (50)
- Stochastic is overbought
- Price is below the daily pivot point USD 3,128
- The Futures were technically bearish with a neutral bias yesterday based on the strength of the upside move. The RSI was above 50 whilst its MA suggests momentum was supported, implying Fibonacci support levels should hold in the near-term if tested. Upside moves above USD 3,145 would mean the intraday technical is bullish. Fibonacci support levels were not tested yesterday with price trading to a new high, the intraday technical is now bullish based on price. The futures corrected into the close, meaning price is back between the EMA resistance band with the RSI neutral at 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 3,128 with the RSI at or below 49 will mean price and momentum are aligned to the sell side. Likewise, a close above this level with the RSI at or above 53.5 will mean it is aligned to the buyside. Downside moves that hold at or above USD 3,039 will support a near-term bull argument, below this level the futures will target the USD 2,982.5 fractal low.
- The technical is bullish but price is now correcting on the back of a negative divergence with the RSI on the 1-hour technical, making USD 3,039 the key support level to follow. If we hold this level, it will warn that the trend could be transitioning to the buyside on the higher timeframe; however, if broken then the USD 2,982.5 support will be vulnerable.



# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	26,694	R1	27,110		
S2	26,477	R2	27,392		RSI below 50
S3	26,183	R3	27,978		

## Synopsis - Intraday

Source Bloomberg

- Price is between/below the EMA resistance band (Black EMA's)
- RSI is below 50 (48)
- Stochastic is above 50
- Price is below the daily pivot point USD 27,110
- Technically bullish yesterday having made a higher high, the daily technical remained bearish with higher timeframe resistance at USD 27,978, making this a key level going forward. The MA on the RSI was turning higher, implying momentum was supported, but the futures remained in the EMA resistance band. Outside of the fractal break, we were seeing signs that the futures were potentially transitioning to the buyside; if the RSI could move above and hold above 50 with price trading and holding above the EMA resistance band, it would further support a buyer's argument. The futures did open supported but failed to trade above and close above the EMA resistance band, resulting in price moving lower and the RSI moving back below 50. Intraday price and momentum are conflicting.
- Downside moves that close below USD 27,110 with the RSI at or below 41.5 will mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is aligned to the buyside.
- The correction into the close means we have conflicting momentum here. The RSI is below 50 with the stochastic overbought, if the RSI can hold below 50, then support levels will be vulnerable. However, the MA on the RSI is currently bullish, suggesting support levels could hold if tested, making USD 26,183 the key level to follow on the technical. Bullish on the intraday, price now needs to hold USD 26,183, otherwise the USD 25,560 low will be vulnerable.

# Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,116	R1	2,141.5	RSI above 50	Stochastic overbought
S2	2,099	R2			
S3	2,074	R3			

Source Bloomberg

## Synopsis - Intraday

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (56)
- Stochastic is overbought
- Price is below the daily pivot point USD 2,146
- Technically bullish with price and momentum both making new highs yesterday, suggesting downside moves should be considered as countertrend, implying support levels should hold if tested. The futures had a bit of a rebalance yesterday after the strong move on Monday. Price has entered a corrective phase but we remain above the EMA band with the RSI above 50, intraday price and momentum are now conflicting.
- A close on the 4-hour candle below USD 2,146 with the RSI at or below 53.5 will mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is aligned to the buyside.
- Technically unchanged, we maintain our view that downside moves should be considered as countertrend at this point, making USD 2,074 the key support level to follow.

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