

China

Services activity in China expanded at a faster pace in May versus in April to the second-steepest seen in the past 2.5 years, according to survey data from S&P Global and Caixin Global released Monday.

The Caixin China General Services Purchasing Managers' Index (PMI) edged up to 57.1 in May from 56.4 in April, when the growth rate had slowed from a 29-month high. A reading above 50 indicates expansion, while a reading below 50 suggests contraction in business conditions.

The sector's PMI has now remained in expansionary territory for five consecutive months since China's policy shift in response to the COVID-19 pandemic at the end of 2022.

"Both services supply and demand expanded further in May. The gauges for business activity and total new orders both stood above 50 for the fifth consecutive month and logged their second-highest readings since November 2020," Caixin Insight senior economist Wang Zhe said in the report. (Bloomberg).

Cu

Copper fell with other base metals as investors mulled what's next for China's shaky economic recovery.

China appears to be taking targeted steps to help specific parts of the economy. Some analysts say this means that broader stimulus — including rate cuts — may be off the table for now. That leaves metals still under pressure after a string of data that pointed to a sharp slowdown in China. (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,153	R1	8,255	RSI above 50	
S2	8,110	R2	8,355		
S3	8,037	R3	8,440		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA Resistance band (Black EMA's)
- RSI is above 50 (51)
- Price is below the daily pivot point USD 8,255
- Stochastic is above 50
- The upside move in the futures above the USD 8,339 level means the intraday technical is now in bullish territory. Price is above the EMA resistance 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 8,255 with the RSI at or above 58.5 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 8,153 will support a bull argument, below this level the technical will have a neutral bias.
- The intraday technical is now bullish but in a corrective phase, making USD 8,153 the key support to follow, if it holds, then the USD 8,381 resistance will remain vulnerable. The intraday Elliott wave cycle looks to have completed this phase of the downside move; however, if we do move higher, we highlight USD 8,735 as being a key level on the longer-term cycle.

Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,245		RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (48)
- Stochastic is below 50
- Price is below the daily pivot point USD 2,278
- Before my vacation last week, we noted that the futures were technically bearish but not considered a technical sell, as the wave cycle had met its minimum requirement for phase completion. The futures have moved higher with price breaching the USD 2,312.5 fractal resistance, meaning the technical is bullish but back in a corrective phase. Price is below the EMA resistance 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 2,278 with the RSI at or above 58 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,286 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 2,314.5 fractal high.
- The futures traded below the USD 2,237 support meaning the technical, although bullish now has a neutral bias. We look to have completed the downside wave cycle suggesting the technical could be in a transition phase at this point; in theory we should move higher but have a note of caution based on the pullback.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,234	R1	2,306		RSI below 50
S2	2,215	R2	2,329		
S3	2,172	R3	2,365		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (43)
- Stochastic is below 50
- Price is below the daily pivot point USD 2,306
- Technically bearish a week ago, the current upside move looked to be countertrend, suggesting caution. There was a chance that this upside move was going to be a wave 4, of an extended wave 3. This implied that if we did trade to a new low, upside moves would still be countertrend, key resistance to follow was at USD 2,413. The futures have consolidated for a week with price remaining below the EMA resistance band. The RSI is below 50 with intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,306 with the RSI at or above 46 will mean price and momentum are aligned to the buyside; likewise, a close below this level with the RSI at or below 41.5 will mean it is aligned to the sell side. Upside moves that fail at or below USD 2,413 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 2,515.5 is the technical bullish.
- We remain technically bearish with the current upside move looking to be countertrend, suggesting caution. We are potentially still in an extended wave 3 at this point as price is moving sideways. However, a new low will create a positive divergence with the RSI, warning we have the potential to see a momentum slowdown on a downside breakout. If we do consolidate for much longer before making a new low it will suggest we are on a higher timeframe wave 4. The technical is a little unclear at this point in terms of wave analysis, but upside moves should still be against the trend.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	20,310	R1	20,925		RSI below 50
S2	19,910	R2			
S3	19,315	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 above the daily pivot point USD 21,313
- Technically bearish a week ago, the futures were consolidating between USD 21,840 – USD 20,700, meaning intraday price action was less stable. For this reason, we took a neutral view until a direction bias has been established. The futures traded to a new low but created a positive divergence with the RSI, resulting in a move higher. The upside move has rejected the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle below USD 21,313 with the RSI at or above 51.5 will mean price and momentum are aligned to the buy side. Upside moves above USD 21,840 will mean the technical is bullish.
- Technically bearish, we now have a neutral bias based on the strength of the recent upside move. The futures did move higher on the back of a positive divergence with the RSI, warning we have potentially seen the downside wave cycle complete. For this reason, the futures are not considered a technical sell at this point.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	2,022	R1	2,037	RSI below 50
S2	1,989	R2	2,057	
S3	1,976	R3	2,072	

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (47)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,022
- Technically bearish with a neutral bias last time, the minimum requirement for phase/cycle completion had been met, with the upside move suggesting that we are no longer a technical sell, as resistance levels were starting to look vulnerable. The resistance levels held, resulting in a move lower and a wave extension to the downside. Price is below the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,022 with the RSI at or below 39.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,057 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the wave extension to the downside would suggest that upside moves should now be considered as countertrend, making USD 2,057 the key resistance to follow.