

China

China Media See 2H PBOC Easing; Wave of Property Stock Delisting

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Over a Dozen Developers Face Delisting From China Bourses: Paper

There are over a dozen property developers now facing delisting from the A-share market as their shares have been trading around the 1-yuan danger mark, according to a report in the Securities Daily Tuesday

China's Debt-to GDP Ratio Jumps on Growth Slowdown, Covid: Paper

China's debt ratio rose to 281.8% at the end of the first quarter from 273.2% at the end of 2022, with the leverage of residential sector resuming an uptrend and non-financial corporate leverage hitting a record high, says a report in the Economic Daily

China Paper Sees Lending Recovery in May, RRR and Rate Cut in 2H

China's new yuan loans likely recovered last month from April, with mid to long-term corporate lending a key driver of growth, China Securities Journal reports Tuesday, citing experts

(Bloomberg).

Cu

Chinese copper smelting rebounded in May, threatening more supply in a market already reeling from weak demand.

Fewer smelters were idled last month, which lifted activity in the world's top producing nation above average levels, according to Savant, a service provided by broker Marex Group Plc and geospatial analysis company Earth-i. Metals prices have come under pressure in recent weeks as China's manufacturing industry has slumped, even before the usual cooling off in the sector over the summer. (Bloomberg).

Copper Morning Technical (4-hour)



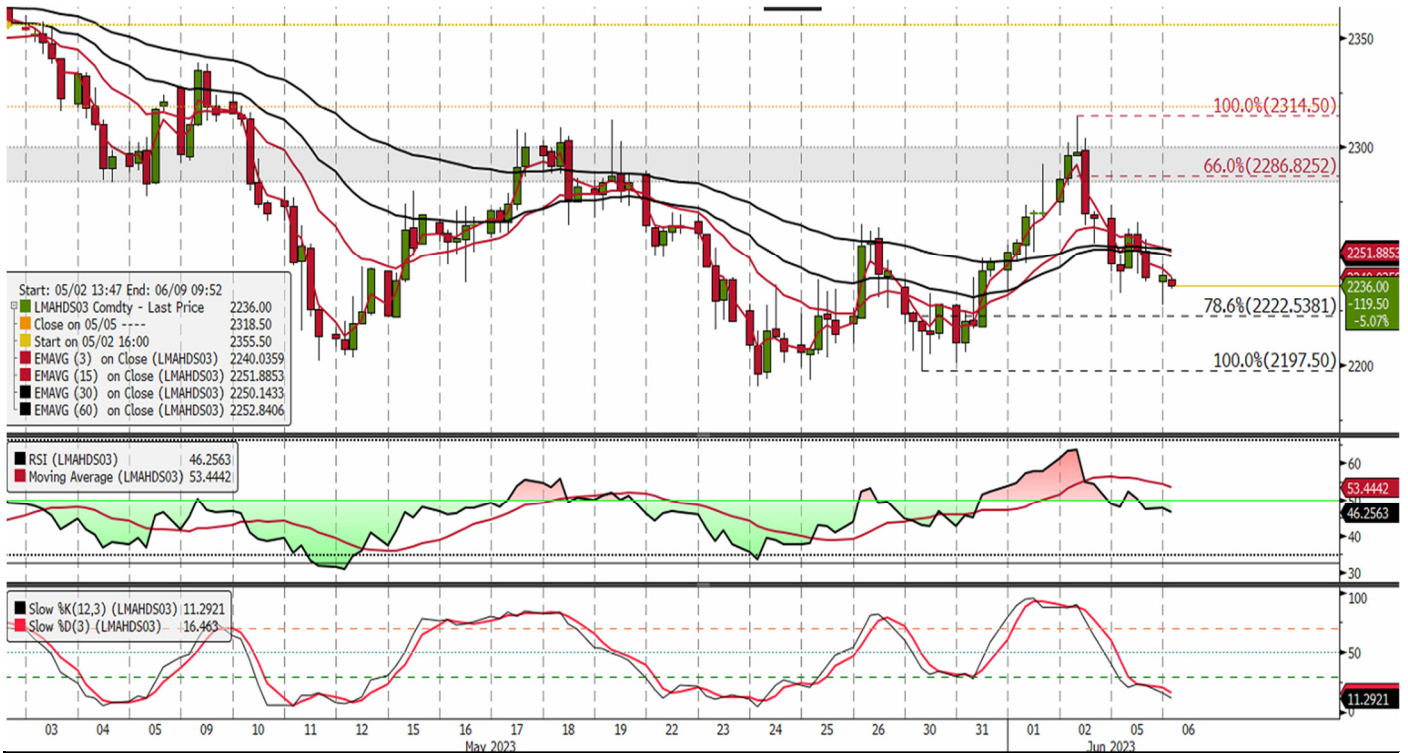
	Support	Resistance	Current Price	Bull	Bear
S1	8,292	R1	8,357	RSI above 50	Stochastic overbought
S2	8,153	R2			
S3	8,110	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (60)
- Price is below the daily pivot point USD 8,292
- Stochastic is overbought
- Technically bullish but in a corrective phase yesterday, making USD 8,153 the key support to follow, if it held, then the USD 8,381 resistance would be vulnerable. The intraday Elliott wave cycle looked to have completed this phase of the downside move; however, if we did move higher, we highlighted USD 8,735 as being a key level on the longer-term cycle. Support held resulting in the futures moving higher, price is now above the EMA support band (The EMA's have crossed) with the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 8,292 with the RSI at or below 55.5 will mean price and momentum are aligned to the sell side. 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 (Note: this has held).
- Technically bullish the futures are yet to trade above the USD 8,381 fractal resistance, if broken then we have a potential near-term upside target at USD 8,486. However, a new high will create a negative divergence with the RSI, not a sell signal it will warn that we have the potential to see a momentum slowdown and will need to be monitored.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,227.5	R1	2,251	Stochastic oversold	RSI below 50
S2	2,222	R2			
S3	2,197	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (46)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,250
- The futures traded below the USD 2,237 support yesterday, meaning the technical, although bullish had a neutral bias. We noted that we looked to have completed the downside wave cycle, suggesting the technical could be in a transition phase; in theory we should move higher, but we had a note of caution based on the pullback. The futures having moved lower on the open did find buy-side support, but the move failed to hold, resulting in the futures producing a bearish close. A flat open, we remain 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 2,250 with the RSI at or above 55.5 will mean price and momentum are aligned to the buy-side. 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.
- Technically, little has changed. The MA on the RSI would suggest that momentum is weakening; however, as noted yesterday the futures look to have completed a downside wave cycle, warning the technical could be transitioning to the buy-side. Bullish with a neutral bias, we remain cautious on downside moves at this point. A close on the 4-hour candle above USD 2,258 will indicate that momentum based on price is starting to improve, warning resistance levels could be vulnerable.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,287	R1	2,313		RSI below 50
S2	2,234.5	R2			
S3	2,215	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is below 50 (48)
- Stochastic is at 50
- Price is above the daily pivot point USD 2,287
- Technically bearish with the current upside move looking to be countertrend yesterday, suggesting caution. We were potentially still in an extended wave 3 as price is moving sideways. However, a new low would create a positive divergence with the RSI, warning we had the potential to see a momentum slowdown on a downside breakout. If we did consolidate for much longer before making a new low, it would suggest we were on a higher timeframe wave 4. The technical was a little unclear based on Elliott wave analysis, but upside moves were still be against the trend. Having initially moved lower on the open yesterday the futures found light buying support. Price is in 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 2,287 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 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.
- Technically bearish with upside moves still considered as countertrend. The Elliott wave cycle remains on a bearish wave 3, as we are yet to confirm if this will be a wave extension to the downside, or a move higher into a countertrend wave 4.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	20,889	R1	21,020	Stochastic oversold	RSI below 50
S2	20,310	R2			
S3	19,910	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (48)
- Stochastic is oversold
- Price is above the daily pivot point USD 20,889
- Technically bearish yesterday, we had a neutral bias based on the strength of the recent upside move. The futures had moved higher on the back of a positive divergence with the RSI, warning we had potentially seen the downside wave cycle complete. For this reason, the futures were not considered a technical sell. Side-ways action in yesterday's session with price trading at the base of the EMA resistance band whilst the RSI is near neutral at 48.6, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 20,889 with the RSI at or above 51.5 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. Upside moves above USD 21,840 will mean the technical is bullish.
- We remain bearish with a neutral bias and maintain our neutral view at this point, as we have potentially seen the downside cycle complete; however, we need to see a move above USD 21,840 for confirmation.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,044.5	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is above 50 (51)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,027
- Technically bearish yesterday, the wave extension to the downside suggested that upside moves should now be considered as countertrend, making USD 2,057 the key resistance to follow. The futures have moved higher but remain below key resistance levels. Price is between the EMA resistance band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,027 with the RSI at or below 42.5 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 with upside moves considered as countertrend. The MA at 51 is near neutral with the stochastic in overbought territory, if the RSI moves below and holds below 50, then momentum is warning we could see support levels be tested. If our Elliott wave analysis is correct then we should in theory still move lower; however, above USD 2,057 would suggest a more cautious approach.