

## China

China's central bank surprised most economists and market participants by cutting a short-term policy interest rate, a sign that officials are increasingly concerned about faltering growth and are stepping up stimulus to boost the recovery.

The People's Bank of China lowered the seven-day reverse repurchase rate by 10 basis points to 1.9%, according to a statement Tuesday. It was the first reduction in the rate since August 2022.

The move was unusual, coming days before the central bank is set to announce any adjustments to the rate on one-year policy loans, known as the medium term lending facility. Speculation has grown that the PBOC will cut that rate Thursday — just ahead of the release of official data that is expected to show the economy's recovery lost further momentum in May. (Bloomberg).

## Al

Aluminum edged up as investors assessed the impact of China's cut to its short-term policy interest rate, while smelters look set to bring back some idled capacity in southern China.

The metal has fallen about 6% this year on the back of a weak outlook for global demand, while China's post-pandemic consumption recovery has lagged expectations. On Tuesday, the nation's central bank cut a short-term policy interest rate in its latest move to bolster the top metal-consuming economy.

Production problems affecting smelters in Yunnan province have provided some support to aluminum prices, after droughts crimped power generation from hydroelectric facilities. Due to recent rainfall, smelters in Yunnan are expected to bring back some idled capacity from June 15, Shanghai Metals Market reported, citing surveys with those plants. (Bloomberg).

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,298	R1	8,426	Stochastic oversold	RSI above 50
S2	8,246	R2	8,486		
S3	8,236	R3	8,573		

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (53)
- Price is above the daily pivot point USD 8,298
- Stochastic is oversold
- Technically bullish but with a neutral bias due to the depth of the pullback yesterday. The futures were moving lower on the back of a negative divergence with the RSI whilst the rejection candle on Friday warned that support levels were vulnerable. We remained cautious on upside moves as there were warning signals that we had the potential to see a technical pullback, below USD 8,246 the intraday technical would be bearish. The futures traded to a low of USD 8,261.5 before finding light bid support. Price is above the EMA band with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 8,298 with the RSI at or above 57 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.
- Technically bullish with a neutral bias, the RSI is at 53 with the stochastic in oversold territory. If the RSI can hold above 50, then momentum would suggest that we could see a test to the upside; however, if it moves below 50 then the stochastic will be considered as less relevant. A cautious bull as the previous two pullback have been on a negative divergence, below USD 8,246 the technical is bearish.

# Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,233	R1	2,233	Stochastic oversold	RSI below 50
S2	2,205	R2			
S3	2,197.5	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (47)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,237
- Technically bearish with a neutral bias yesterday. We had a daily Doji at its EMA resistance band warning we had indecision in the market whilst the intraday Elliott wave cycle looked like it had completed, for this reason we had more of a neutral view. The futures have traded below the USD 2,233 level; however, a rate cut in China this morning means we have seen some light bid support on the Asian open. 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 2,237 with the RSI at or above 53.5 will mean price and momentum are aligned to the buyside.
- The move below the USD 2,233 support into the close last night is warning that the USD 2,205 fractal low is vulnerable. However, this is not supported by the intraday Elliott wave cycle at this point. If we do trade to a new low below USD 2,190 it would suggest we are seeing some form of wave extension that is not showing itself on the technical at this point. We maintain a neutral bias as the technical continues to conflict between the daily chart rejecting its EMA resistance band and the intraday Elliott wave cycle.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,356	R1	2,392	RSI above 50	
S2	2,333	R2	2,413		
S3	2,301	R3	2,451		

**Synopsis - Intraday**

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is above 50 (50)
- Stochastic is oversold
- Price is above the daily pivot point USD 2,347
- Technically bearish with a neutral bias yesterday, the futures had started to reject the daily resistance band, warning support levels were vulnerable, we remained cautious on upside moves. The futures traded to a low of USD 2,324 before finding light bid support on the back of the rate cut. Price is between the EMA resistance band with the RSI neutral at 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,347 with the RSI at or above 56.5 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 2,301 will support a near-term bull argument, below this level will warn that the USD 2,234.5 support is vulnerable.
- The futures remain bearish with a neutral bias. Intraday Elliott wave analysis continues to warn that support levels are vulnerable. Making USD 2,301 the key support level to follow.



# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	20,650	R1	21,107	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 below the daily pivot point USD 21,055
- The technical remained neutral alongside the RSI at 50 yesterday. The EMA's remained flat suggesting they are unlikely to be respected at this point. The futures moved to the downside but remain in the consolidation range. 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 21,055 with the RSI at or above 52.5 will mean price and momentum are aligned to the buy side. Upside moves above USD 21,840 will mean the technical is bullish.
- Neutral, we are starting to roll over to the downside, but we remain in range with flat EMA's, meaning we are vulnerable to more random price action.

# Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,064	R1	2,072	RSI above 50	Stochastic overbought
S2	2,040	R2	2,099		
S3	2,028	R3	2,116		

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (56)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,064
- Technically bearish yesterday, we had a neutral bias due to the strength of the upside move. Price was trading just above the USD 2,057 resistance; however, intraday Elliott wave analysis suggested that upside moves should be considered as countertrend. The futures continue to trade to new highs yesterday; however, although we had a bullish close, we did have some upside rejection due to price trading in the daily EMA resistance band. Price is above the intraday 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 2,064 with the RSI at or below 52.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,011 will support a near-term bull argument, below this level the USD 1,976 support is vulnerable.
- Bearish with a neutral bias, the strength of the upside move does suggest caution; however, we are at the daily resistance band with intraday Elliott wave analysis continuing to suggest that the current upside move looks to be countertrend. If we trade above USD 2,099, then the bearish wave cycle will have failed.