

## China

China's economy is expected to stabilize in the second half of the year, supported by policy stimulus, according to a China Securities Journal report Wednesday, citing analysts.

Consumption will further recover and property market may stabilize in the third quarter, with economic growth re-accelerating: report, citing Wang Tao, chief China economist at UBS

Overall economic growth is better than expected so far this year; the full-year GDP growth could exceed the 5% target: report, citing Ming Ming, chief economist at Citic Securities (Bloomberg).

## Cu

Some key gauges of China's copper market are hinting that demand for the metal is faring well despite a steady flow of downbeat economic news.

Premiums paid for immediate delivery of copper rose to their highest since October, while nearby contracts on the Shanghai Futures Exchange expanded a gap over later months, in a structure known as backwardation that suggests tight supply. Inventories are also thinning.

Together, these indicators signal that immediate demand is outpacing supply, and that buyers are getting more eager to snap up material now rather than later. The rising premium is partly driven by fabricators buying more ahead of a two-day public holiday this Thursday and Friday. (Bloomberg).

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,546	R1	8,645	RSI above 50	
S2	8,478	R2	8,755		
S3	8,448	R3	8,894		

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (60)
- Price is above the daily pivot point USD 8,546
- Stochastic is above 50
- The futures had tested but held the USD 8,478 support yesterday. Technically we remained bullish; however, we had a divergence with the RSI on the 4-hour and lower timeframe candles that continued to warn that we had the potential to see a momentum slowdown. The Elliott wave cycle had extended but continued to warn that we are potentially near completion, leaving us a cautious bull. Having held support the futures moved higher; however, at this point we remain below the USD 8,634 high from the 16/06. Price is above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 8,546 with the RSI at or below 55 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 8,478 will support a bull argument, below this level the technical will have a neutral bias.
- We are technically bullish, but the futures remain in divergence with the RSI, warning we have the potential to see a momentum slowdown. If we do trade to a new high it would suggest that we are seeing some form of Elliott wave extension; however, at this point the divergence and the Elliott wave cycle are warning we could potentially exhaust soon, suggesting caution on upside moves.

# Aluminium Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	2,223	R1	2,234	2,236.5	Stochastic oversold	RSI below 50
S2	2,216	R2	2,277			
S3	2,190	R3	2,291			

## 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 2,234
- The futures continued to remain in a consolidation phase yesterday, indicating the technical is neutral. In terms of the Elliott wave cycle we still looked to have completed the bearish cycle; however, as previously highlighted, a move below USD 2,190 would suggest we are seeing a wave extension to the downside. The downside move in the futures continues to produce higher lows, resulting in a trend support forming. Price is below the EMA resistance band; however, these are now flat, indicating a lack of trend. The RSI is below 50 with intraday price and momentum aligned to the sell side, as the previous candle closed below the daily pivot level.
- A close on the 4-hour candle above USD 2,234 with the RSI at or above 50.5 will mean price and momentum are aligned to the buyside.
- Technically neutral with price in consolidation, a close below that holds below the trend support (USD 2,223) will warn that support levels have the potential to come under pressure, leaving the USD 2,190 fractal low vulnerable. As previously noted, a new low will warn we are seeing an Elliott wave extension to the downside. At this point, we maintain a neutral bias, based on the consolidation and flat averages.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,366	R1	2,384	Stochastic oversold	RSI below 50
S2	2,324	R2			
S3	2,270	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (44)
- Stochastic is oversold
- Price is above/on the daily pivot point USD 2,382
- The upside move above USD 2,515.5 meant the technical was bullish based on price, but the longer-term Elliott wave cycle remains bearish with a neutral bias yesterday. We had conflicting momentum indicators, as the MA on the RSI suggested that buy-side momentum was weakening; however, the RSI was near neutral at 49 whilst the stochastic was in oversold territory, meaning momentum warned that the futures could be vulnerable to a test to the upside, providing the RSI moved above 50. If the RSI held below 50, then the oversold stochastic would be considered as less relevant. We remained a cautious bear based on the strength of this upside move, downside moves below USD 2,324 would warn that the USD 2,215 fractal low could be vulnerable. We noted that the futures were currently rejecting the daily EMA resistance band. Price did move lower have rejected the daily EMA resistance band with the RSI remaining below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,382 with the RSI at or above 52.5 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 that fail at or below USD 2,460 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 2,520.5 fractal high.
- Bullish based on price, the downside moves yesterday means we now have a neutral bias, whilst the longer-term Elliott wave cycle remains bearish (key resistance on the wave cycle is at USD 2,732, the futures are bearish below this level but have a neutral bias above it), suggesting the USD 2,324 fractal support is now vulnerable. A close below this level will warn we have the potential to see further downside, based on price making a lower low. The rejection of the daily EMA resistance band is now more prominent after the move lower yesterday. We should note that the futures are finding support this morning on the back of the daily RSI testing a rising MA.



# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	22,062	R1	22,105	Stochastic oversold	RSI below 50	
S2	21,634	R2				23,400
S3	21,297	R3				23,893

## Synopsis - Intraday

Source Bloomberg

- Price is between the EMA support band (Black EMA's)
- RSI is below 50 (59)
- Stochastic is oversold
- Price is below the daily pivot point USD 22,143
- Technically bullish yesterday but in a corrective phase, with the Elliott wave cycle looking like it has potentially completed, alongside the futures and the RSI making new highs, it suggested that downside moves should in theory be considered as countertrend. Momentum was conflicting as the RSI was above 50 with the stochastic in oversold territory, warning that we were vulnerable to a test to the upside, providing the RSI could hold above 50. Countering this, the MA on the RSI did suggest that momentum was weak, making USD 21,634 the key support to follow. The futures moved lower with price now trading just above the USD 22,062 Fibonacci support this morning. Price is between the EMA support 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 22,146 with the RSI at or above 55 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 21,634 will support a bull argument, below this level the futures will have a neutral bias.
- The futures remain in a corrective phase, the MA on the RSI would suggest that momentum remains weak at this point; however, intraday Elliott wave analysis would suggest that the current move lower is potentially countertrend, meaning USD 21,634 is still the key support to follow.

# Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,135	R1	2,140	RSI above 50	
S2	2,098	R2			
S3	2,082	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (59)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,135
- Technically bullish yesterday, the current upside wave was greater than 161.8% the previous wave, supporting a bullish impulse phase. The futures were in divergence with the RSI, warning we have the potential to see a momentum slowdown. However, based on the intraday Elliott wave cycle, the strength of the upside move and the RSI recently making a new high, we maintained our view that downside moves had the potential to be countertrend. The futures traded down to and held the EMA support yesterday, the RSI remains above 50 but price and momentum are aligned to the sell side, as the previous candle closed below the daily pivot level.
- A close on the 4-hour candle above USD 2,135 with the RSI at or above 62.5 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 2,060 will support a bull argument, below this level the technical will have a neutral bias.
- The downside move in the futures yesterday was enough to signal that we have entered a corrective Elliott wave 4, making USD 2,060 the key support to follow. Upside moves above USD 2,150 will confirm that the futures are on a bullish impulse wave 5. However, we remain in divergence with the RSI, suggesting caution on upside breakouts from here. A cautious bull.