

## China

China took a further step to slow the slide in the yuan, setting its daily reference rate for the managed currency at a stronger-than-expected level for a second day.

The People's Bank of China stepped up its support for the yuan with its so-called fixing, setting the rate 111 pips stronger than the average estimate in a Bloomberg survey — the largest premium since November. The onshore yuan climbed as much as 0.5% after the move.

The currency had suffered its biggest decline in nearly five months Monday — a drop of about 1% — as sentiment soured toward the country's growth prospects. The lack of more aggressive stimulus from the authorities and China's widening policy divergence from its peers in developed nations have also weighed. (Bloomberg).

## Cu

Iron ore rose along with copper after a senior Chinese official said that growth has picked up this quarter and more stimulus was in store, boosting the outlook for consumption in the biggest metals importer.

China will roll out more practical, effective measures to expand domestic demand and stoke market vitality, Chinese Premier Li Qiang told the World Economic Forum in Tianjin. Iron ore, used to make steel, surged by almost 3%.

In addition, Mike Henry, head of BHP Group Ltd., the world's largest miner, urged the Chinese government to provide more help for the housing market, acknowledging recent data had been patchy. "We do think there's room for a little bit more policy that is supportive," he told reporters in Brisbane (Bloomberg)

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,404	R1	8,448	Stochastic oversold	RSI below 50
S2	8,357	R2			
S3	8,261.5	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (47)
- Price is above the daily pivot point USD 8,404
- Stochastic is oversold
- Technically bullish on Friday's report, the futures were moving lower on the back of a negative divergence. We maintained a cautious based on our wave analysis and the divergence. The futures have continued to move lower with price breaking fractal support, meaning the intraday technical is bearish based on price. We are now below the EMA support band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 8,404 with the RSI at or above 49 will mean price and momentum are aligned to the buy side; likewise, a close below this level with the RSI at or below 44.5 will mean it is aligned to the sell side. Upside moves that fail at or below USD 8,587 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the RSI is making new lows whilst the MA on the RSI is indicating momentum is weak at this point, suggesting resistance levels should in theory hold if tested in the near-term, making USD 8,587 the key resistance to follow.

# Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,172.5	Stochastic oversold	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 (41)
- Stochastic is oversold
- Price is above the daily pivot point USD 2,159
- We remained bearish but within a consolidation zone on Friday, meaning we maintained a neutral bias. As previously stated, downside moves below USD 2,190 would have suggested that we were seeing a new wave Elliott cycle in play (or at least some form of wave extension to the downside). The futures have traded below the USD 2,190 level, meaning the technical remains bearish with the Elliott wave cycle extending to the downside. Price is below all key moving averages supported by the RSI below 50, a move higher on the Asian open means that price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,159 with the RSI at or below 35.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,224 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the downside breakout is indicating we have seen an Elliott wave extension after the consolidation phase, the RSI is making new lows outside of the consolidation zone, suggesting upside moves should be considered as countertrend at this point.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,346	R1	2,380	Stochastic oversold	RSI below 50
S2	2,324	R2	2,397		
S3	2,293	R3	2,420		

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (45)
- Stochastic is oversold
- Price is above the daily pivot point USD 2,346
- Technically the futures had entered back into bullish territory on the last report (having been bullish with a neutral bias previously); however, the corrective move lower meant that the RSI was below 50 with the stochastic in overbought territory, momentum warned that we were vulnerable to a move lower, providing the RSI could hold below the 50 level. We maintained our view based on our Elliott wave analysis that upside moves should be considered as countertrend. The futures have moved lower with price below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the buy side having moved higher in the Asian day session.
- A close on the 4-hour candle below USD 2,346 with the RSI at or below 41.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,420 will leave the futures vulnerable to further tests to the downside, above this level the USD 2,470 fractal resistance could be tested.
- Technically bullish with a neutral bias (key support is at USD 2,324 whilst the low yesterday was at USD 2,325), our longer term Elliott wave analysis continues to suggest that upside moves should be considered as countertrend, making USD 2,420 the key resistance to follow.

# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	20,247	R1	20,716	Stochastic oversold	RSI below 50
S2	19,951	R2	20,850		
S3	19,531	R3	21,058		

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (37)
- Stochastic is oversold
- Price is below the daily pivot point USD 20,716
- Unchanged previously, the Elliott wave cycle continued to suggest that we had the potential for another move higher. However, the deep pullback meant the probability of the futures trading to a new high had decreased, whilst the MA on the RSI continues to suggest that momentum was weak. The RSI had also made a new low, suggesting resistance levels should in theory hold if tested in the near-term. The USD 20,720 support looked vulnerable, implying the Elliott wave cycle could fail. The futures did move lower meaning the bullish phase of the cycle has failed, price is below all key moving averages supported by the RSI below 50, intraday price and momentum are conflicting due to the move higher on the open.
- A close on the 4-hour candle above USD 20,716 with the RSI at or above 40 will mean price and momentum are aligned to the buy side; likewise, a close below this level with the RSI at or below 35.5 will mean it is aligned to the sell side. Upside moves that fail at or below 21,058 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the MA on the RSI is starting to flatten, implying sell side momentum is slowing down; however, the RSI is making new lows, suggesting resistance levels should in theory hold if tested in the near-term.

# Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,064.5	R1	2,112	Stochastic oversold	RSI below 50
S2	2,056.5	R2	2,127		
S3	2,048	R3	2,147		

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (43)
- Stochastic is oversold
- Price is on the daily pivot point USD 2,091
- Technically bullish on the last report, the futures were in a corrective phase on the back of a negative divergence, alongside being on a wave 5. We remained cautious on upside moves as support levels look like they could be tested and broken, as the wave cycle had potentially completed. The cycle had completed resulting in the futures trading below fractal support, meaning the technical is now bearish. Price is below all key moving averages supported by the RSI below 50, intraday price and momentum are conflicting as the futures have moved higher on the Asian open.
- A close on the 4-hour candle above USD 2,091 with the RSI at or above 48 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 2,147 will mean price and momentum are aligned to the sell side, above this level the technical will have a neutral bias.
- Technically bearish, the MA on the RSI would suggest that momentum remains weak at this point whilst the RSI is making new lows, implying upside moves will potentially be countertrend in the near-term.