

China

China signaled more economic support measures are imminent after authorities took a small step toward supporting the ailing property market by extending loan relief for developers.

Top state-run financial newspapers ran reports Tuesday flagging the likely adoption of more property supportive policies, along with measures to boost business confidence.

Earlier, financial regulators stepped up pressure on banks to ease terms for property companies by encouraging negotiations to extend outstanding loans. The People's Bank of China and National Financial Regulatory Administration said in a joint statement Monday that the aim is to ensure the delivery of homes that are under construction. (Bloomberg).

Metals

Iron ore and other metals rose as Beijing stepped up relief measures for property developers, although there was skepticism on whether they were enough to support a sustained rally.

Financial regulators asked banks to ease loan terms for companies in the real estate sector, which accounts for about a third of the country's steel demand and is important for the likes of copper, aluminum and zinc. State-run newspapers also ran reports suggesting more measures to support property were coming.

Steel-making staple iron ore rose as much 2.5% in Singapore, while gains in aluminum and copper were more muted. Beijing has eased monetary policy in recent weeks and announced other stimulus, but hasn't yet managed to convince the market that it's done enough to spur a major revival in real estate or the wider economy (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	8,365	R1	8,414.5	RSI above 50	Stochastic overbought	
S2	8,354	R2				8,517
S3	8,340	R3				8,559

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA Resistance band (Black EMA's)
- RSI is above 50 (57)
- Price is above the daily pivot point USD 8,354
- Stochastic is overbought
- Having previously held the USD 8,231 support, we had seen a move higher; however, the futures remained below the USD 8,470 fractal resistance, meaning the technical remained bearish but with a neutral bias. Upside moves that reject the USD 8,517 resistance would warn that there was potentially a larger corrective cycle in play. Momentum was conflicting, as the MA on the RSI suggested momentum support, but the RSI was below 50 with the stochastic in overbought territory, warning we could see a test to the downside if the RSI held below 50. A close below the dominant bull candle (USD 8,286) will warn the USD 8,231 support could be tested and broken. Having initially traded lower the futures found bid support after the Chinese central bank extended policies to support the real estate market. Price is now above 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 8,354 with the RSI at or below 48.5 will mean price and momentum are aligned to the sell side. downside moves that hold at or above USD 8,307 will support a near-term bull argument, below this level the USD 8,285 fractal support becomes vulnerable. Only above USD 8,470 is the technical bullish; however, upside moves that fail at or below USD 8,517 will warn that there is a potentially a longer-term bear cycle in play.
- We remain bearish with a neutral bias; the MA on the RSI would suggest that momentum is supported at this point, suggesting resistance levels are starting to look vulnerable. However, the futures are trading in the daily resistance, which from a technical perspective would suggest caution, meaning we have a more neutral view at this point.

Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,177	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (56)
- Stochastic is overbought
- Price is below the daily pivot point USD 2,152
- Technically bearish with a neutral bias yesterday, the Elliott wave cycle continued to suggest that upside moves look to be countertrend. However, we were yet to confirm that the upside move had entered the Elliott wave 4, leaving the technical vulnerable to further wave extension. We still had the divergence in play, suggesting caution on moves lower until we had confirmation that we have entered the wave 4. The futures have moved higher with price now confirming we have entered a countertrend wave 4, we have also traded above fractal resistance, meaning the intraday technical is bullish based on price. We are now trading above 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 2,152 with the RSI at or below 45 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,237 will leave the futures vulnerable to further tests to the downside, above this level the Elliott wave cycle will have a neutral bias.
- Bullish based on price, the futures now look to be on a countertrend wave 4, making USD 2,190 – USD 2,210 an area of interest, as wave theory suggests this is often an area that the wave 4 could terminate.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,358	R1	2,393	RSI above 50	
S2	2,324	R2			
S3	2,293	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is above 50 (55)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,358
- Technically bearish with price moving lower yesterday having rejected key resistance. The intraday Elliott wave cycle continued to suggest that upside moves look to be countertrend, with the USD 2,324 support starting to look vulnerable. However, this level had held three times, meaning market sellers would want to see a close below that held below this level to signal downside continuation. The futures traded to a low of USD 2,336 before finding buyside support. Price is above 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 2,358 with the RSI at or below 45 will mean price and momentum are aligned to the sell side. Upside move that fail at or below USD 2,420 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Like the rest of the base complex the futures are moving higher after the central bank extending support in the property sector. If the USD 2,420 resistance is broken, we will have a neutral bias, whilst a move above USD 2,470 will mean the technical is bullish based on price, warning that the USD 2,520 level could be tested and broken. However, this will not change the longer-term Elliott wave analysis, this upside move will still be considered as countertrend, it will just signal a larger 3 wave pattern is in play. Only above USD 2,732 does the daily wave cycle become neutral. We are moving higher but are cautious on this upside move as we are now entering the daily resistance band.

Nickel Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	20,857	R1	21,662	RSI below 50
S2	20,440	R2	22,218	
S3	20,249	R3	22,656	

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (53)
- Stochastic is above 50
- Price is above the daily pivot point USD 20,875
- Technically bullish yesterday, the futures had entered a corrective phase with price below the USD 22,218 resistance (longer-term resistance), making USD 20,440 the key near-term support to follow. If we held, we had the potential to move higher. If support was broken then the pullback would be considered as deep, meaning the probability of the futures trading to a new high would have decreased, leaving the USD 19,925 support vulnerable. The futures held the USD 20,440 support yesterday with price now trading above the EMA resistance band. The RSI is above 50 with price and momentum aligned to the buy side.
- A close on the 4-hour candle below USD 20,875 with the RSI at or below 49 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 20,440 will support a bull argument, below this level the technical will have a neutral bias. Note: this level is currently holding.
- We remain technically bullish based on price, the MA on the RSI has not turned higher at this point, indicating momentum remains weak despite the RSI being above 50, suggesting we need to see further upside move in the near-term for momentum to begin to support price. Key resistance to follow is at USD 22,218, upside moves that fail at or below this level will warn that there is potentially a larger corrective cycle in play.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,071		RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is below 50 (49)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,059
- Technically bearish yesterday, the downside move had breached the USD 2,036 support. This looked to be a key as it meant that the move between USD 2,190 – USD 2,030 is not a 5-wave bearish impulse move, as the wave 3 is the shortest wave. This can only mean that the move higher on the 29-30/06/23 must have been a wave B, meaning the 5-wave pattern lower since then was a wave C. Technically, the futures were not considered a sell at these levels based on the Elliott wave cycle, unless we get confirmation that the wave C is extending into a larger cycle, which we had not had. Resistance levels were now vulnerable. The futures continue to move higher with price now trading in the EMA resistance band with the RSI near neutral at 49, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,059 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 2,077 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish with price moving higher, as noted yesterday, resistance levels are now vulnerable based on our Elliott wave analysis. We have conflicting momentum indicators as the MA on the RSI would suggest we have momentum support; however, the RSI is at 49 with the stochastic overbought. If the RSI holds below 50 then we could see a move lower, if we move above and hold above 50, then the stochastic is considered as less relevant.