

China

Iron ore and industrial metals rose after new loans in China accelerated, adding to signs the nation's post-pandemic recovery may finally be gaining traction as optimism increases that fresh liquidity is bolstering the construction sector.

Data showing the boost in aggregate financing in June beat economists' expectations came after 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. Household lending, which is a proxy for mortgages, also increased last month.

"Sentiment may be lifted and confidence improved in the market as investors expect some economic growth," Shanghai-based Steven Yu, a ferrous researcher at Mysteel, said in a text message. Still, he said that without fresh stimulus from Beijing into the construction industry, demand for real estate would remain "tepid." (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,363	R1	8,401	RSI above 50	
S2	8,307	R2			
S3	8,280	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA Resistance band (Black EMA's)
- RSI is above 50 (54)
- Price is above the daily pivot point USD 8,363
- Stochastic is above 50
- We remained bearish with a neutral bias yesterday, the MA on the RSI suggested that momentum was supported, implying resistance levels were starting to look vulnerable. However, the futures were trading in the daily resistance band, which from a technical perspective this suggested caution, meaning we had a more neutral view. The futures rejected the daily resistance band resulting in price trading USD 1.00 below the USD 8,307 support, warning that the USD 8,236 fractal support was vulnerable. However, we have had buy-side support on the Asian open, meaning the futures are trading back above the EMA resistance band with the RSI above 50, intraday price and momentum are aligned to the buy-side.
- A close on the 4-hour candle below USD 8,363 with the RSI at or below 50 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 8,517 will warn that there is potentially a larger corrective cycle in play.
- Technically bearish, the MA on the RSI is now flat, warning momentum is turning neutral; however, the downside move yesterday is warning that price is weak, suggesting support levels are vulnerable. The futures are also back trading in the daily EMA resistance band, suggesting caution on upside moves as this is a natural area of resistance.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,170	R1	2,190	RSI above 50	
S2	2,158	R2	2,210		
S3	2,152	R3	2,237		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (56)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,170
- Bullish based on price yesterday, the futures look to have entered 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. The futures traded to a high of USD 2,191 before moving lower into the close; however, we continue to see light bid support this morning with price above the EMA resistance bands 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 2,170 with the RSI at or below 49 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.
- The futures are moving higher with the MA on the RSI suggesting price is supported in the near-term. However, our Elliott wave cycle continues to suggest that this upside move is potentially countertrend. We reiterate that the USD 2,190 – USD 2,210 is 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	2,324	R1	2,372	RSI above 50	
S2	2,293	R2			
S3	2,245	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is above 50 (50)
- Stochastic is at 50
- Price is below the daily pivot point USD 2,375
- Like the rest of the base complex the futures were moving higher yesterday morning after the central bank extending support in the property sector. If the USD 2,420 resistance was broken, the futures would have a neutral bias, whilst a move above USD 2,470 would mean the technical is bullish based on price, warning that the USD 2,520 level could be tested and broken. However, this would not have changed the longer-term Elliott wave analysis, this upside move would still be considered as countertrend, it would just signal a larger 3 wave pattern is in play. Only above USD 2,732 would the daily wave cycle become neutral. We were moving higher but were cautious on the upside move as we were entering the daily resistance band. The futures traded to a high of USD 2,401 before selling lower, resulting in price closing below the opening value. Price is between the EMA resistance band with the RSI neutral at 50, intraday price and momentum are now conflicting as the MA on the RSI remains above its moving average.
- A close on the 4-hour candle above USD 2,375 will mean price and momentum are aligned to the buyside. Likewise, a close below this level with the RSI at or below 47 will mean it is 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.
- The technical is bearish; however, the futures are in consolidation with a neutral RSI and stochastic, which are both at 50. The intraday EMA band is also flat, indicating a lack of direction bias. Technically vulnerable to random movement whilst in consolidation, suggesting a neutral bias should be maintained.

Nickel Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	21,070	RSI above 50	
S2	R2			
S3	R3			

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 20,788
- We remained technically bullish based on price yesterday; we noted that the MA on the RSI had not turned higher, indicating momentum remained 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 was at USD 22,218, upside moves that fail at or below this level would warn that there was potentially a larger corrective cycle in play. Having initially moved higher the futures came under pressure in the U.S session to close relatively flat on the day. We are seeing bid support on the Asian open with price back above the daily EMA resistance band 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 20,788 with the RSI at or below 51 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 continues to hold.
- Technically bullish, the MA on the RSI would suggest that momentum remains neutral at this point, this is supported by a flat EMA band, indicating a lack of directional bias. As previously noted, upside moves that fail at or below USD 22,218 will warn that there is potentially a larger corrective cycle in play. Having tested the downside three times in three days it would suggest that the futures are support at this point with the longer-term trend potentially transitioning to the buy side; however, with the futures trading into the daily EMA resistance band, suggesting caution as this is a natural area of resistance. A close on the 4-hour candle below USD 20,580 will imply that sell side momentum is increasing, leaving support levels vulnerable.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,063	R1	2,066.5		RSI below 50
S2	2,046	R2			
S3	2,036	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (48)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,063
- Technically bearish with price moving higher yesterday, as noted previously, resistance levels were vulnerable based on our Elliott wave analysis. We had conflicting momentum indicators as the MA on the RSI suggested we had momentum support; however, the RSI was at 49 with the stochastic overbought. If the RSI held below 50 then we could see a move lower, if we moved above and held above 50, then the stochastic would be considered as less relevant. The futures moved lower with the RSI remaining below 50; however, the RSI has held its MA support at this point. Price is below the EMA resistance band with price and momentum aligned to the buyside.
- A close on the 4-hour candle below USD 2,063 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 our Elliott wave analysis suggesting resistance levels remain vulnerable, the futures are holding above the USD 2,046 level, supporting a near-term bull argument. If broken, the USD 2,030 fractal support could be tested and broken.

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