

China

China's economy grew slower than expected in the second quarter, with consumer spending easing notably in June, sounding more alarm bells about the recovery.

Gross domestic product expanded 6.3% in the second quarter from a year prior, data released by the National Bureau of Statistics showed Monday, weaker than the median forecast of 7.1% by economists surveyed by Bloomberg. The figures were distorted by a low base of comparison last year when Shanghai and other places were in lockdown.

Compared to the first quarter, GDP growth slowed to 0.8% from 2.2% in the first three months of the year. (Bloomberg).

Metals

Iron ore, copper and aluminum fell as China's second-quarter growth missed estimates, adding to worries about the tepid recovery in the world's biggest metals consumer.

China's economy expanded 6.3% from a year earlier, missing analysts' estimates of 7.1% growth, according to data released Monday. A slew of figures presented a mixed picture, with retail sales weakening, while industrial production improved.

Of particular concern to metals traders were data that showed a contraction in property investment was deepening. That added to negative sentiment after figures released on Saturday showed new-home prices in 70 cities slipped last month from May, damping optimism that a broad recovery for the steel sector was underway. Crude steel production edged up 0.4% in June from a year earlier. (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,561	R1	8,667	RSI above 50	Stochastic overbought
S2	8,512	R2	8,735		
S3	8,446	R3	8,800		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (58)
- Price is below the daily pivot point USD 8,667
- Stochastic is overbought
- Technically bullish last week, momentum remained supported suggesting downside moves would potentially be countertrend, making USD 8,446 the key support to follow. The futures have entered a corrective phase with price now nearing the top of the Fibonacci support zone. We remain above all key moving averages supported by the RSI above 50, intraday price and momentum are now aligned to the sell side.
- A close on the 4-hour candle above USD 8,667 with the RSI at or above 67 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above 8,446 will support a bull argument, below this level the technical will have a neutral bias.
- We remain technically bullish but in a corrective phase in what looks to be a countertrend move lower, making USD 8,446 the key support to follow.

Aluminium Morning Technical (4-hour)



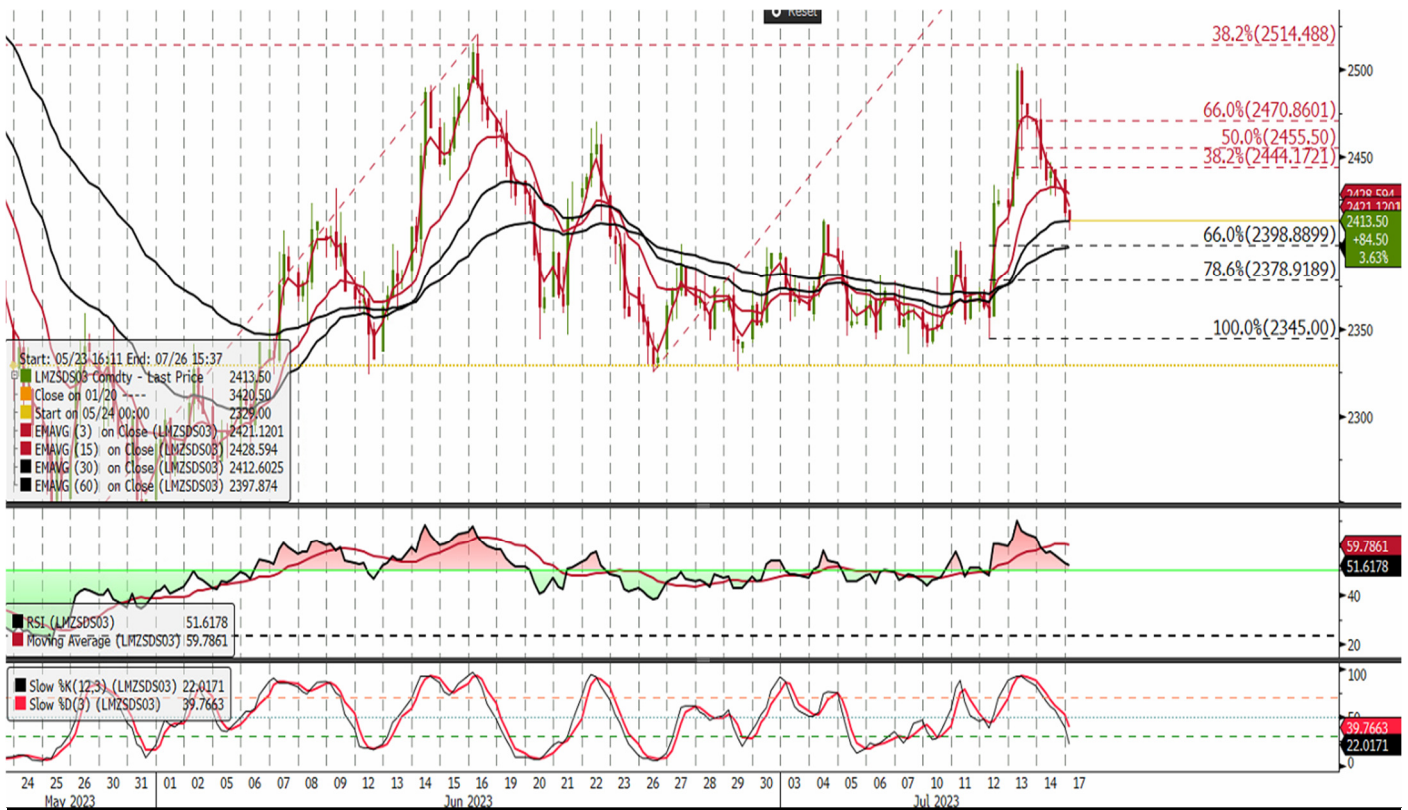
	Support	Resistance	Current Price	Bull	Bear
S1	2,243	R1	2,276	RSI above 50	Stochastic overbought
S2	2,228	R2	2,294.5		
S3	2,207	R3	2,314.5		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (61)
- Stochastic is overbought
- Price is below the daily pivot point USD 2,276
- Technically bullish on Friday, we maintained our view that downside moves would potentially be countertrend, based on the RSI making a new high whilst the MA on the RSI implies momentum was supported. We noted that the futures are currently trading in a longer-term resistance zone that acted as a support in April-May 3 times, and as a resistance band in May June on four occasions, suggesting market buyers should be cautious as we could see an intraday pullback soon. The futures have produced an intraday pullback having rejected the resistance zone highlighted. We remain above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4- hour candle above USD 2,276 with the RSI at or above 70.5 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 2,207 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish with price now in a corrective phase, the MA on the RSI has flattened, warning buy side momentum is now slowing. With the RSI recently trading to new highs it is warning that downside moves have the potential to be countertrend, making USD 2,207 the key support to follow, if broken the pullback will be considered as deep, meaning the probability of the futures trading to a new high will have decreased.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,463	R1	2,444		
S2	2,442	R2	2,455		RSI above 50
S3	2,424	R3	2,470		

Synopsis - Intraday

Source Bloomberg

- Price is on the EMA support band (Black EMA's)
- RSI is above 50 (51)
- Stochastic is below 50
- Price is below the daily pivot point USD 2,448
- Technically bullish in the near-term last week, the RSI had made a new high whilst its MA suggested momentum is supported, implying downside moves should be considered as countertrend. The longer-term Elliott wave cycle remained bearish below USD 2,732. The futures have entered a corrective phase with price now on the EMA support band with the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,448 with the RSI at or above 62 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 2,398 will support a bull argument, below this level the technical will have a neutral bias.
- The near-term technical remains bullish based on price, with the futures in a corrective phase, the longer-term Elliott wave cycle remains bearish. The MA on the RSI is now flat due to the recent pullback, indicating buyside momentum is weakening, making USD 2,398 the key support to follow. If broken, we continue to remain in bull territory; however, the depth of the pullback would suggest that the probability of the futures trading to a new high has decrease, meaning we will have a neutral bias in play. At this point, based on the RSI making a new high, the downside move still looks like it will potentially be countertrend, but we need to hold the USD 2,398 support.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	21,157	R1	21,330	RSI above 50	
S2	20,959	R2			
S3	20,804	R3			

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (53)
- Stochastic is above 50
- Price is below the daily pivot point USD 21,490
- Technically bullish but in a corrective phase on the last report with key support to follow remaining at USD 20,959. The MA on the RSI was starting to flatten, implying upside momentum was slowing. We also noted that we had a 5-wave pattern higher, suggesting caution on upside moves, as support levels now look vulnerable. The futures did make an intraday move higher but failed to trade above the USD 21,775 fractal high, resulting in price moving lower this morning. We remain above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 21,490 with the RSI at or above 58 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 20,959 will support a bull argument, below this level the technical will have a neutral bias.
- We remain a cautious bull as a move above USD 21,775 looks like it could create a negative divergence with the RSI, whilst the 5-wave pattern higher is warning that support levels are potentially vulnerable, making USD 20,959 the key level to follow.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,100	R1	2,120	RSI above 50	Stochastic overbought
S2	2,090	R2	2,128		
S3	2,077	R3	2,146		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (58)
- Stochastic is overbought
- Price is below the daily pivot point USD 2,120
- Technically bullish on the last report, we noted that the current intraday wave is greater than 161.8% of the previous wave, suggesting the move was bullish impulse. For this reason, we maintained our view that downside moves should be considered as countertrend at this point. The futures traded to a low of USD 2,103 before trading to a high of USD 2,131, creating a negative divergence with the RSI. We have seen a small move lower on the Asian open, but price remains above the EMA support band, the RSI is above 50 with intraday price and momentum aligned to the sell side.
- A close on the 4-hour candle above USD 2,120 with the RSI at or above 63 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 2,077 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the pullback on Friday may have been shallow, but it did constitute a lower timeframe Elliott wave 4 that has been followed by a new high and a negative divergence with the RSI. We are now a cautious bull, downside moves below USD 2,103 will warn that the USD 2,077 support could be tested and broken.