

China

China's commodities imports foundered in July as the economy slowed and the summer lull affecting industrial activity sapped demand.

The nation's metals-intensive manufacturing and housing markets continued to slump last month, prompting Beijing to make fresh pledges to shore up growth. Exports also shrank at a faster pace, capping consumption of raw materials and intensifying pressure on the economy.

Most notably, crude oil purchases plunged below 50 million tons, falling 16% from the three-month high set in June, as refiners ran down the inventories built during a surge in imports earlier in the year. Freed from pandemic restraints, China's oil market had been a bright spot for consumption, but the latest figures suggest that demand may have peaked in the first half. (Bloomberg).

Cu

Copper held a decline and most other industrial metals eased as worse-than-expected trade data from China underscored the tepid recovery in the top metals-consuming economy.

Exports fell 14.5% in dollar terms last month from a year earlier - the worst decline since February 2020 - while imports contracted 12.4%, the customs administration said Tuesday. Both were worse than the estimates from economists polled by Bloomberg. Any boost to domestic demand from Beijing's latest support measures is unlikely to show up until future months, Bloomberg Economist Eric Zhu wrote ahead of the data. (Bloomberg)

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,483	R1 8,521	8,490	Stochastic oversold	RSI below 50
S2	8,436	R2 8,682.5			
S3	8,370	R3 8,724			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (43)
- Price is below the daily pivot point USD 8,521
- Stochastic is oversold
- Technically bearish yesterday, the futures had rejected the USD 8,724 resistance, warning that the USD 8,462.5 fractal support is vulnerable. However, we had a note of caution, as a new low had the potential to create a positive divergence with the RSI. Not a buy signal, it warned that we could see a momentum slow-down on a downside breakout. The futures traded to a low of USD 8,466 before finding light bid support, we remain below the EMA resistance band (the averages have crossed) with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 8,521 with the RSI at or above 48.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 8,724 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- The futures remain technically bearish in a corrective phase with a potential downside target at USD 8,436. However, as noted yesterday, a move below USD 8,462.5 will create a positive divergence with the RSI, implying caution on downside breakouts, for this reason the futures are not considered a technical sell at this point. A close on the 4-hour candle above USD 8,504 will warn indicate momentum based on price is starting to strengthen, warning we could see price and momentum become aligned to the buyside.

Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,224.5		RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between/below the EMA support band (Black EMA's)
- RSI is below 50 (49)
- Stochastic is overbought
- Price is below the daily pivot point USD 2,229
- Technically bullish with a neutral bias yesterday. Price was/is in a range between USD 2,164 and USD 2,292, if the USD 2,195 fractal support was broken then the USD 2,164 level could be tested and broken, the technical was bearish. Momentum and the EMA band were currently neutral. The futures closed below opening values, but price remained within the previous days range; having opened lower we are now trading on the base of the EMA support band. The RSI is below 50 with price and momentum now conflicting.
- A close on the 4-hour candle below USD 2,229 with the RSI at or below 47.5 will mean price and momentum are aligned to the sell side. Likewise, a close above this level with the RSI at or above 52 will mean it is aligned to the buyside. Upside moves that fail at or below USD 2,257 will leave the futures vulnerable to further tests to the downside, above this level the USD 2,289 resistance will be vulnerable.
- Unchanged from yesterday in the sense the averages are neutral with the technical still bullish with a neutral bias. The RSI is now below 50 with the stochastic in overbought territory, if the RSI can hold below 50 then momentum would suggest that we have the potential to move lower. Likewise, if the RSI moves above 50 then the stochastic becomes less relevant. Technically vulnerable to an intraday move lower, a close on the intraday candle below USD 2,220 will support the weakening momentum indicators.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,467	R1	2,494		RSI below 50
S2	2,435	R2	2,537		
S3	2,370	R3	2,584.5		

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA support band (Black EMA's)
- RSI is below 50 (48)
- Stochastic is below 50
- Price is below the daily pivot point USD 2,494
- Technically bullish with a neutral bias yesterday. Key resistance on the Elliott wave cycle remained at USD 2,732, for this reason, we remained cautious on upside moves. We noted that on the daily technical the MA on the RSI was implying that momentum was supported; however, the RSI was testing the MA support, if broken, it could warn that momentum on the higher timeframe is starting to weaken. We did see a small move lower, but price remained within the previous days range, we have continued to see light selling pressure on the open this morning with the futures now below the previous days low. We remain within 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 2,501 with the RSI at or above 52.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,537 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 2,584.5 fractal resistance. Note: we have recently rejected the USD 2,537 level.
- Technically we remain bullish with a neutral bias (wave cycle bearish), the daily RSI is now starting to cross its moving average, implying higher timeframe momentum is showing signs of weakness. We have seen an inside breakout to the downside, a close on the 4-hour candle below USD 2,474 will further support an intraday seller's argument, as this is the low of the candle from the 04/08/23. Warning signs on this technical that would suggest support levels are starting to look a little vulnerable.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	20,932	R1	21,280	Stochastic oversold	RSI below 50
S2	20,655	R2	21,634		
S3	20,305	R3	22,218		

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (43)
- Stochastic is oversold
- Price is below the daily pivot point USD 21,280
- Technically bearish on the last report, the futures were trading below the trend support with the RSI making new lows, warning that the USD 20,932 and USD 20,655 support levels were vulnerable. Key resistance to follow was at USD 21,634. We did see an intraday move higher yesterday that breached the USD 21,634 resistance, meaning the technical entered neutral territory; however, price failed to hold resulting in the futures reversing early gains, putting the technical back in bearish territory. Price is below the EMA resistance band (the averages have crossed) with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 21,280 with the RSI at or above 47 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 21,634 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 failing to hold above the trend line yesterday, suggesting the USD 20,932 – USD 2,655 support zone is vulnerable. However, we do have a minor divergence in play, whilst the futures are trading back in the consolidation zone that formed in July, suggesting market sellers should be a little cautious. The MA on the RSI is now starting to flatten, warning sell side momentum looks to be slowing.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,125	R1	2,140		
S2	2,113	R2	2,164.5		RSI below 50
S3	2,100	R3	2,182		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (46)
- Stochastic is below 50
- Price is below the daily pivot point USD 2,140
- Technically bullish yesterday, the RSI was above 50 with the stochastic in oversold territory. Providing the RSI could hold above 50, momentum warned that resistance levels were vulnerable. The RSI had recently made a new high, suggesting downside moves looked to be countertrend, making USD 2,113 the key support to follow. The upside move on the open failed to hold resulting in the futures closing the day unchanged. Price is below 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 2,140 with the RSI at or above 50.5 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 2,113 will support a bull argument, below this level the technical will have a neutral bias.
- Technically unchanged. With the RSI making a new high on the 25/07 the current downside moves looks to be corrective, rather than bearish, making USD 2,113 the key support to follow.