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Copper rebounded from the lowest close in almost a month as investors bet on more Chinese stimulus to boost commodities demand after data showed the top metal-consuming nation sliding into deflation.

China's consumer and producer prices both declined in July from a year ago as demand in the world's secondary largest economy weakened. Markets may be relieved that deflation has now been confirmed, which could energize a response from the Chinese authorities.

Prices fell earlier this month after Chinese factory and trade data missed estimates and sapped risk appetite. The country has pledged more support for the real estate sector and to reduce local governments' debt burden to support the economic recovery, although investors are waiting for more detailed policies to follow.

Copper prices may fluctuate at a high level given the bullish sentiment toward Chinese stimulus, China Industrial Futures Co. said in a note.

Copper rose 0.8% to \$8,413.50 a ton on the London Metal Exchange as of 10:26 a.m. in Shanghai. Prices fell 1.6% on Tuesday to their lowest since July 11. Other LME metals were flat to higher, with aluminum rising 0.6%. Iron ore rose 1% to \$101.25 a ton in Singapore, while steel futures also climbed in Shanghai. (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,390	R1	8,430	Stochastic oversold	RSI below 50
S2	8,285	R2	8,478		
S3	8,177	R3	8,543		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (42)
- Price is above the daily pivot point USD 8,390
- Stochastic is below
- The futures remained technically bearish in a corrective phase with a potential downside target at USD 8,436 yesterday. However, as noted previously, a move below USD 8,462.5 would create a positive divergence with the RSI, implying caution on downside breakouts, for this reason the futures were not considered a technical sell. 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. The futures traded below our downside target at USD 8,436 resulting in the divergence failing. We have seen an aggressive move lower with price trading down to USD 8,275 before finding bid support into the U.S. close and on the Asian open. Price is below the EMA resistance band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 8,390 with the RSI at or above 44.5 will mean price and momentum are aligned to the buyside; likewise, a close below this level will mean it is aligned to the sell side. Upside moves that fail at or below USD 8,543 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- The move lower yesterday was more aggressive than expected. The divergence failure has resulted in the RSI making a new low, implying the Elliott wave has extended to the downside. This would suggest that intraday upside moves should now be considered as countertrend, making USD 8,543 the key resistance to follow.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,207	R1	2,216	Stochastic oversold	RSI below 50
S2	2,193	R2	2,224		
S3	2182	R3	2,230		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA Resistance band (Black EMA's)
- RSI is below 50 (47)
- Stochastic is oversold
- Price is above the daily pivot point USD 2,207
- Unchanged on the technical yesterday, the averages were neutral with the technical still bullish with a neutral bias. The RSI was below 50 with the stochastic in overbought territory, if the RSI could hold below 50 then momentum warned that we had the potential to move lower. Likewise, if the RSI moved above 50 then the stochastic would be considered as less relevant. Technically vulnerable to an intraday move lower, a close on the intraday candle below USD 2,220 would support the weakening momentum indicators. The futures broke to the downside with price trading to a low of USD 2,190.5 before finding light bid support on the Asian open. Price is below the EMA resistance band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,207 with the RSI at or above 51 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 2,224 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Even though we broke fractal support yesterday the longer-term technical is still bullish with a neutral bias, as we remain within the bull wave that formed in early July. The new low has been replicated by the RSI, warning that the current upside moves has the potential to be countertrend, suggesting caution. Key resistance to follow is at USD 2,224, above this level the pullback will be considered as deep, warning that the probability of the futures trading to a new low will have decreased.

Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,473.5		RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (48)
- Stochastic is below 50
- Price is above the daily pivot point USD 2,462
- Technically we remain bullish with a neutral bias yesterday (wave cycle bearish), the daily RSI was starting to cross its moving average, implying higher timeframe momentum was 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. We had warning signs on the technical that suggested support levels were starting to look a little vulnerable. The futures traded to a low of USD 2,417.5 before finding bid support into the U.S close, price is below all key moving averages with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,462 with the RSI at or above 50.5 will mean price and momentum are aligned to the buy side; likewise, a close below this level with the RSI at or below 46 will mean it is aligned to the sell side. Upside moves that fail at or below USD 2,488 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- The downside move yesterday broke fractal support, meaning the intraday technical and the Elliott wave cycle are both bearish. The RSI has made a new low suggesting that upside moves now have the potential to be countertrend; however, we are approaching our key resistance at USD 2,488, if breached the pullback will be considered as deep, meaning the probability of the futures trading to a new low will have decreased. If resistance holds, then support levels will remain vulnerable.

Nickel Morning Technical (4-hour)



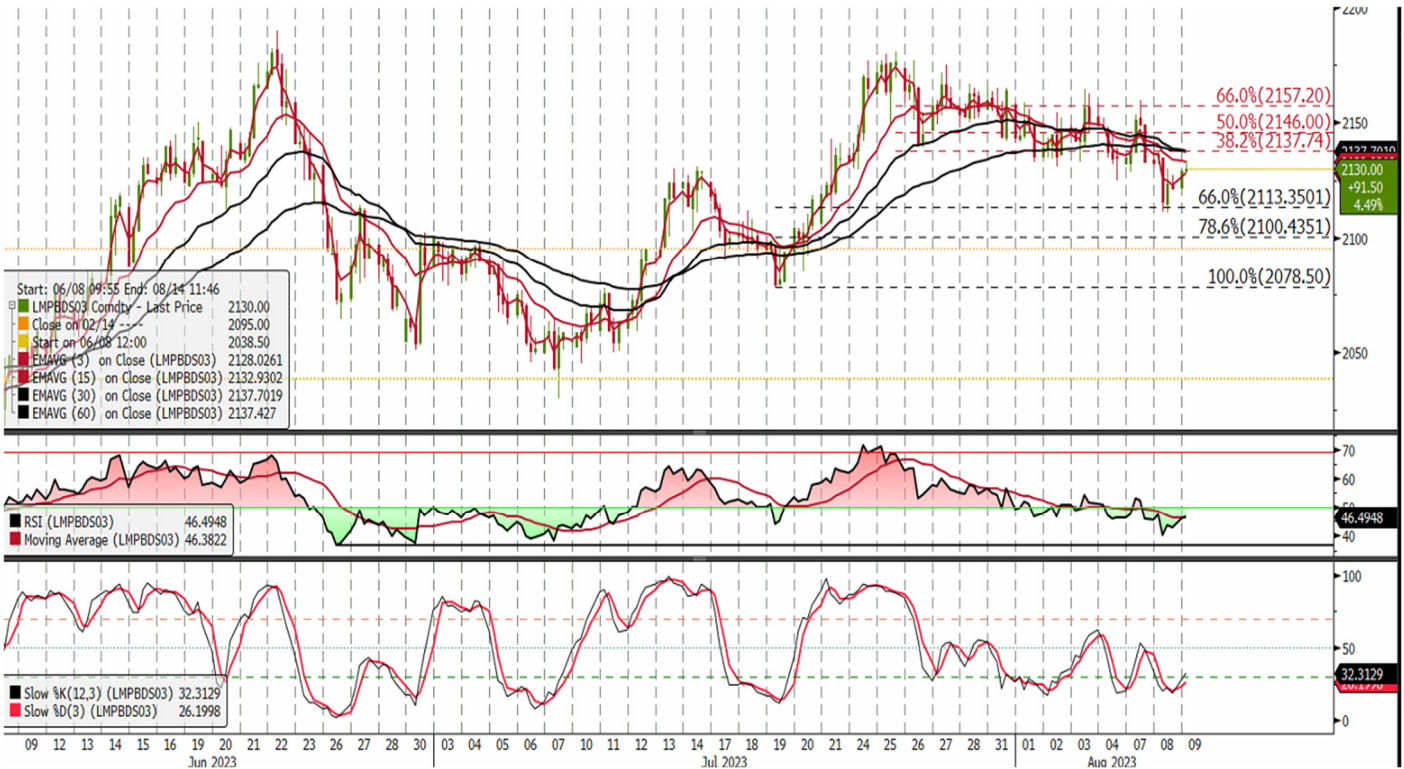
	Support	Resistance	Current Price	Bull	Bear
S1	20,780	R1	2,930	Stochastic oversold	RSI below 50
S2	20,539	R2			
S3	20,335	R3			

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (41)
- Stochastic is oversold
- Price is below the daily pivot point USD 20,970
- Technically bearish yesterday with price failing to hold above the trend line yesterday, suggesting the USD 20,932 – USD 2,655 support zone was vulnerable. However, we did 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 was also starting to flatten, warning sell side momentum looked to be slowing. The futures moved lower alongside the rest of the base sector resulting in the divergence failing. Price is below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 20,970 with the RSI at or above 45 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 21,362 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- We remain technically bearish with the divergence failing, but the futures continue to trade within the consolidation zone that formed in July, we also have a divergence on a lower timeframe. Technically we still have the potential to see another intraday move to the downside; however, due to the consolidation zone and divergence we maintain a cautious view on downside moves at this point.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,124	R1	2,130	Stochastic oversold	RSI below 50
S2	2,113	R2			
S3	2,100	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (46)
- Stochastic is oversold
- Price is above the daily pivot point USD 2,124
- Technically unchanged yesterday. With the RSI making a new high on the 25/07 the current downside move looked to be corrective, rather than bearish, making USD 2,113 the key support to follow. The futures continued to move lower with price breaching the USD 2,113 support, meaning we now have a neutral bias. Price is 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 2,124 with the RSI at or above 48.5 will mean price and momentum are aligned to the buy side; likewise, a close below this level with the RSI at or below 44 will mean it is aligned to the sell side. Upside moves that fail at or below USD 2,157 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 2,181 fractal high.
- The deep pullback means that the probability of the futures trading to a new high has decreased, meaning we now have a neutral bias. Key resistance to follow is at USD 2,157.