

China

resident Joe Biden blasted China's economic problems as a "ticking time bomb" and referred to Communist Party leaders as "bad folks," his latest barb against President Xi Jinping's government even as his administration seeks to improve overall ties with Beijing.

In comments that included several major inaccuracies about the world's second-largest economy, Biden said at a political fundraiser Thursday that China was in "trouble" because its growth has slowed and it had the "highest unemployment rate going." He also blasted Xi's signature Belt and Road Initiative as the "debt and noose," because of the high levels of lending to developing economies associated with the global investment program.

"China was growing at 8% a year to maintain growth, now close to 2% a year," he told donors in Park City, Utah, misstating China's rate of expansion. "It's in a position where the number of people who are of retirement age is larger than the number of people of working age," he added, a statement that was not only incorrect but also off by hundreds of millions of people. (Bloomberg).

Al

Chinese aluminum consumption will outpace output this year, leading to a small deficit, Citigroup says in note, citing view from Shi Fuliang, co-founder of researcher Aladdin.

Production seen at +3.6% to 41.5m tons; demand at +3.4% to 41.8m tons

Shi sees low possibility of output being affected by power rationing in Yunnan this winter due to higher rainfall

Anticipated demand drivers:

Power sector to lead growth among sectors at +19% to 8m tons on back of solar consumption at 3.4m tons

Construction demand +1.5% to 9.1m tons; transport +1.6% to 7.8m tons; packaging +6.9% to 3.8m tons; exports -12.5% to 3.7m tons

Aluminum smelter profit currently at ~2,500 yuan (\$346)/ton including VAT, and Shi sees margin stable at ~2,000 yuan/ton in long run (Bloomberg)

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,285	R1	8,39		RSI below 50
S2	8,177	R2	8,478		
S3	8,086	R3	8,543		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (41)
- Price is below the daily pivot point USD 8,395
- Stochastic is below 50
- Technically bearish yesterday, the futures remained below key resistance with price rolling over to the sell side, warning support levels were starting to look vulnerable; however, price and momentum needed to be aligned to the sell side to support a move lower. Based on RSI making a new low on the 08/08, we maintained our view that intraday upside moves look to be countertrend. The futures produced a small test to the upside in the morning session before eventually rolling over and moving lower into the close. We remain below the EMA resistance 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 8,395 with the RSI at or above 44.5 will mean price and momentum are aligned to the buyside. 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.
- Technically bearish, the futures have rejected the USD 8,478 Fibonacci resistance twice in two days with price now moving lower, warning that the USD 8,275 fractal low could be tested and broken. We maintain our view that upside moves should be considered as countertrend at this point.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,193	R1	2,206		
S2	2,182	R2	2,224		RSI below 50
S3	2,164	R3	2,230		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA Resistance band (Black EMA's)
- RSI is below 50 (44)
- Stochastic is below 50
- Price is below the daily pivot point USD 2,206
- The longer-term technical remains bullish with a neutral bias yesterday. We noted that the RSI move lower on the 08/08 had warned that intraday upside moves should be considered as countertrend, the rejection of key resistance previously warned that the USD 2,190.5 – 2,164 support zone was starting to look vulnerable. The MA on the RSI implied momentum was weak; however, if we did see price close above and hold above the daily pivot point, it would indicate that buyside momentum was increasing based on price. The futures traded above and closed above the daily pivot point on the intraday technical but rejected the EMA resistance band, resulting in the futures giving up early gains, a small move lower on the Asian open means price is relatively flat to yesterday. The RSI remains below 50 with intraday price and momentum aligned to the sell side.
- A close on the 4-hour candle above USD 2,206 with the RSI at or above 48 will mean price and momentum are aligned to the buyside. 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.
- Technically bullish with a neutral bias, key resistance levels continue to hold; however, the futures have started to form a base between USD 2,190 – USD 2,180, signalling we are in a consolidation zone. Downside moves below USD 2,180 will leave the USD 2,164 fractal low vulnerable, below this level the technical is bearish.

Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,436		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 (42)
- Stochastic is above 50
- Price is below the daily pivot point USD 2,458
- Technically bearish with a neutral bias yesterday, we had more of a neutral view as the futures had previously traded above the USD 2,488 resistance. Having opened with light bid support the futures sold lower for the remainder of the session, putting the technical back into bearish territory. Price is back below the EMA resistance 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 2,458 with the RSI at or above 49 will mean price and momentum are aligned to the buy 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.
- Technically bearish, the USD 2,417.5 fractal support is now starting to look vulnerable, below this level we have further support at USD 2,378 and USD 2,350. A close on the 4-hour candle above USD 2,454.5 will be above the high of the last dominant bear candle, meaning momentum based on price is starting to increase, leaving resistance levels vulnerable.

Nickel Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	20,575	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (40)
- Stochastic is oversold
- Price is above the below pivot point USD 20,480
- Technically bearish yesterday, we had seen the wave to the downside that we noted could happen previously. The RSI remained in divergence on a lower timeframe, warning we were potentially nearing an exhaustion point, implying caution on downside moves. For this reason, the futures were no longer considered a technical sell at these levels. The futures have now started to base with price below the EMA resistance band, the RSI is below 50 whilst price and momentum are aligned to the sell side as the current candle remains open.
- A close on the 4-hour candle above USD 20,480 with the RSI at or above 41 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 20,872 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically unchanged from yesterday, the futures remain bearish with price below key resistance levels. However, we still have a positive divergence on a lower timeframe, not a buy signal it is a warning that we have the potential to see a momentum slowdown and will need to be monitored. For this reason, we maintain our view that the futures are not considered a technical sell at this point.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,129.5		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 (47)
- Stochastic is overbought
- Price is below the daily pivot point USD 2,136
- Technically bullish with a neutral bias yesterday, we maintained a more neutral view whilst price was below USD 2,157 due to the depth of the pullback previously. The futures moved sideways before coming under light pressure on the Asian open. 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 below USD 2,136 with the RSI at or below 45.5 will mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is aligned to the buyside.
- Technically bullish with a neutral bias, the RSI is below 50 with the stochastic in overbought territory, providing the RSI remains below 50, momentum is suggesting the futures are vulnerable to a move lower. If the RSI moves above 50, then the stochastic becomes less relevant.