

China

China's economic recovery is being weighed down by a worsening property slump, with the latest data likely to show little sign of a rebound in growth.

Official figures due Tuesday are expected to show only moderate increases in industrial output, retail sales and fixed-assets investment in July. The contraction in property investment likely worsened, with fears of a debt crisis at a major developer and a further decline in housing sales holding back a rebound in the sector.

Swathes of the country were also hit by heavy rains and deadly floods, hindering construction activity last month. (Bloomberg).

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Copper traded near the lowest close in more than a month as China's worsening property slump dampened market sentiment and the commodities demand outlook.

Base metals have broadly fallen this month as investors weigh persistent signs of economic weakness in the top metal-consuming economy, even amid pledges from authorities to support the hardest-hit sectors including the property market. (Bloomberg)

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,270	R1	8,312	Stochastic oversold	RSI below 50
S2	8,201	R2	8,372		
S3	8,132	R3	8,411		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (37)
- Price is below the daily pivot point USD 8,312
- Stochastic is oversold
- Technically bearish on the last report, the futures had 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 maintained our view that upside moves should be considered as countertrend. The futures continued to move lower with price 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 8,312 with the RSI at or above 43 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below 8,411 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- The futures have now traded below the USD 8,275 fractal low; this has created a positive divergence with the RSI, not a buy signal, it is a warning that we have the potential to see a momentum slowdown. However, intraday Elliott wave analysis would suggest that we have a potential downside target at USD 8,132. A cautious bear due to the divergence.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,146	R1	2,183	Stochastic oversold	RSI below 50
S2	2,121	R2	2,189		
S3	2,099	R3	2,199		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA Resistance band (Black EMA's)
- RSI is below 50 (36)
- Stochastic oversold
- Price is below the daily pivot point USD 2,183
- Technically bullish with a neutral bias previously, key resistance levels continued to hold; however, the futures had started to form a base between USD 2,190 – USD 2,180, signalling we were in a consolidation zone. Downside moves below USD 2,180 would leave the USD 2,164 fractal low vulnerable, below this level the technical is bearish. The futures continued to move lower resulting in price trading below both the USD 2,180 and USD 2,164 support levels, the technical is now bearish. 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 2,183 with the RSI at or above 45 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 2,199 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the new low is being replicated by the RSI, warning of continued momentum weakness. This would suggest that upside moves should be considered as countertrend at this point, making USD 2,198 the key resistance to follow.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,353	R1	2,366	Stochastic oversold	RSI below 50
S2	2,329	R2			
S3	2,316	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (32)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,414
- Technically bearish on the last report, the USD 2,417.5 fractal support was starting to look vulnerable, below this level we had further support at USD 2,378 and USD 2,350. A close on the 4-hour candle above USD 2,454.5 would be above the high of the last dominant bear candle, meaning momentum based on price is starting to increase, leaving resistance levels vulnerable. We continued to move lower with price trading down to a low of USD 2,360 this morning. 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 2,414 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 2,448 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, price and the RSI continue to make new lows, implying momentum is weak. This would suggest that upside moves have the potential to be countertrend, making USD 2,448 the key resistance to follow.

Nickel Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	20,350		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 (41)
- Stochastic is at 50
- Price is below the pivot point USD 20,368
- Technically unchanged on Friday, the futures remained bearish with price below key resistance levels. However, we still had a positive divergence on a lower timeframe, not a buy signal it warned that we had the potential to see a momentum slowdown and needed to be monitored. For this reason, we maintained our view that the futures were not considered a technical sell. The futures did see a test to the downside, but the move failed to hold on Friday; however, price is coming back under pressure this morning. The futures are below all key moving averages, supported by the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 20,368 will mean price and momentum are aligned to the buy side; likewise, a close below this level with the RSI at or below 36.5 will mean it is aligned to the sell side. Upside moves that fail at or below USD 20,750 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, we remain in divergence with the RSI on a lower timeframe, not a buy signal, it warns 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	2,112.5	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- 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 2,121
- Technically bullish with a neutral bias, the RSI is below 50 with the stochastic in overbought territory, providing the RSI remained below 50, momentum suggested that the futures were vulnerable to a move lower. If the RSI moved above 50, then the stochastic would become less relevant. The futures have traded to a new low with price below all key moving averages supported by the RSI below 50, intraday price and momentum is aligned to the sell side. The technical although bullish, now has a neutral bias.
- A close on the 4-hour candle above USD 2,121 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 2,129 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, the new low on the open has created a positive divergence with the RSI on the 1-hour technical, not a buy signal, it is a warning that we have the potential to see a momentum slowdown and will need to be monitored. Due to the divergence, we have a note of caution on moves lower at his point, making USD 2,129 the key resistance to follow.