

China

China's central bank unexpectedly reduced a key interest rate by the most since 2020 to bolster an economy that's facing fresh risks from a worsening property slump and weak consumer spending.

The People's Bank of China lowered the rate on its one-year loans — or medium-term lending facility — by 15 basis points to 2.5% on Tuesday, the second reduction since June. All but one of the 15 analysts surveyed by Bloomberg had predicted the rate would stay unchanged. A short-term policy rate was also cut by 10 basis points. (Bloomberg).

Al

Chinese commodities output in July remained relatively robust despite weakness elsewhere in the economy, with aluminum production benefiting from rains that eased constraints on the hydropower that fuels smelters in the southwest.

Storm season in China helped lift aluminum output to its second-highest monthly total of 3.48 million tons after producers in Yunnan fired up idled capacity. That was 1.5% more than last year, although output slid slightly on a daily basis from June, according to figures from the statistics bureau on Tuesday.

Ample availability of the lightweight metal has pressured prices amid a drop in demand due to China's tepid economic recovery. The country's total operational capacity rose to a record of about 42.2 million tons in July, according to Shanghai Metals Market, closing in on the capacity cap of 45 million tons imposed by (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	8,364		
S3	8,132	R3	8,405		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (41)
- Price is above the daily pivot point USD 8,288
- Stochastic is oversold
- The futures traded below the USD 8,275 fractal low yesterday creating a positive divergence with the RSI, not a buy signal, it warned that we have the potential to see a momentum slowdown. However, intraday Elliott wave analysis suggested that we have a potential downside target at USD 8,132. We were a cautious bear due to the divergence. The futures briefly moved lower before finding light bid support, we remain below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 8,288 with the RSI at or below 37 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below 8,405 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- The futures remain in a bearish trending environment with price showing signs that we could be basing around these levels. We remain in divergence warning we have the potential to see a momentum slowdown; however, intraday Elliott wave analysis continues to suggest we have the potential to test the USD 8,132. Like yesterday, we are a cautious bear at this point.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,146	R1	2,150.50	Stochastic oversold	RSI below 50
S2	2,121	R2			
S3	2,099	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA Resistance band (Black EMA's)
- RSI is below 50 (37)
- Stochastic oversold
- Price is below the daily pivot point USD 2,155
- Technically bearish yesterday, 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. The futures continued to move lower before seeing a small move higher on the Asian open. We remain below all key moving averages supported by the RSI below 50, intraday price and momentum are conflicting, as the previous candle closed above the daily pivot point.
- A close on the 4-hour candle below USD 2,155 with the RSI at or below 37 will mean price and momentum are aligned to the sell side; likewise, a close above this level with the RSI at or above 41.5 will mean it is aligned to the buyside. Upside moves that fail at or below USD 2,194 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, we maintain our view that upside moves should be considered as countertrend based on the RSI making new lows alongside price, making USD 2,194 the key resistance to follow.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,353	R1	2,391	Stochastic oversold	RSI below 50
S2	2,329	R2	2,410		
S3	2,316	R3	2,435		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (35)
- Stochastic is oversold
- Price is above the daily pivot point USD 2,359
- 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. The futures continued to move lower with price remaining below all key moving averages supported by the RSI below 50, intraday price and momentum are now conflicting as price is trading off its low.
- A close on the 4-hour candle above USD 2,359 with the RSI at or above 38.5 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 2,435 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, we remain bearish with intraday Elliott wave analysis suggesting upside moves will potentially be countertrend at this point, making USD 2,435 the key resistance to follow.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	19,900	R1	20,255	Stochastic oversold	RSI below 50
S2	19,692	R2			
S3	19,433	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/on the pivot point USD 20,245
- Technically bearish yesterday, we remained in divergence with the RSI 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 continue to move lower with price testing but holding above the USD 19,900 support, resulting in a small move higher. We remain below all key moving averages with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 20,245 with the RSI at or below 37 will mean price and momentum are aligned to the sell side; likewise, a close below this level will mean it is aligned to the sell side. Upside moves that fail at or below 20,697 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically unchanged, the futures continue to move lower with price remaining in divergence with the RSI, not a buy signal it is a warning we have the potential to see a momentum slowdown. Due to the divergence in play, 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	2,089	R1	2,107	Stochastic oversold	RSI below 50
S2	2,078	R2	2,113		
S3	2,056	R3	2,119		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA Resistance band (Black EMA's)
- RSI is below 50 (42)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,107
- Technically bullish with a neutral bias yesterday, the new low on the open had created a positive divergence with the RSI on the 1-hour technical, not a buy signal, it warned that we had the potential to see a momentum slowdown and needed to be monitored. Due to the divergence, we had a note of caution on moves, making USD 2,129 the key resistance to follow. The futures did move slightly lower before finding support into the close. Price remains 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 2,107 with the RSI at or above 45.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or above USD 2,127 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- We remain technically bullish with a neutral bias; the futures remain in divergence on a lower timeframe warning we have the potential to see a momentum slowdown. For this reason, we remain cautious on downside moves at this point.

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