

China

Chinese authorities have stepped up efforts in recent days to bolster the financial market in a sign that Beijing is growing uncomfortable with the pace of declines in stocks and the yuan.

Mainland exchanges this week asked investment funds to avoid net selling equities. Officials requested state-owned banks to escalate intervention to support the yuan, while also encouraging companies listed on the tech-heavy Star Board to buy back shares. Earlier this month, China's central bank met with private-sector property firms and pledged funding.

These moves complemented the People's Bank of China's surprise interest rate cut this week, which was the biggest reduction since 2020, and its most forceful yuan fixing guidance ever on Friday.

So far, the measures have yet to buoy the markets. A gauge of Hong Kong-listed Chinese stocks was on course for a third-straight week of losses. The Hang Seng Index is down more than 8% this year, ranking among the biggest global losers and on the brink of a bear market. While the yuan eked out marginal gains against the dollar Friday morning, it has fallen more than 5% this year. (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	8,217	R1	8,250		RSI below 50	
S2	8,132	R2				8,366
S3	8,034	R3				8,413

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (45)
- Price is above the daily pivot point USD 8,217
- Stochastic is above 50
- Technically bearish yesterday, the futures had achieved our downside target (USD 8,132) resulting in the RSI going into divergence with price. Not a buy signal, it warned that we could see a momentum slowdown, for this reason the futures were not considered a technical sell. With price in divergence, we moved higher yesterday, we remain below the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 8,217 with the RSI at or below 38 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below 8,366 will leave the futures vulnerable to further tests to the downside.
- Technically bearish, the futures are now at the resistance band with the RSI below 50 whilst the stochastic is at 69, nearing overbought territory. Momentum is warning that we have the potential to move lower; however, with the futures moving higher on the back of a positive divergence having achieved our downside target, we maintain our view that the futures are not considered a technical sell at this point.

Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,142		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 (42)
- Stochastic below
- Price is below the daily pivot point USD 2,153
- Technically unchanged yesterday, the futures remained in divergence warning we could see a momentum slowdown whilst intraday Elliott wave analysis continued to suggest that upside moves should be considered as countertrend. The futures traded to a high of USD 2,186 but the move failed to hold with price trading back at yesterday's levels. We remain below all key moving averages supported by the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 2,153 with the RSI at or below 38.5 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. Upside moves that fail at or below USD 2,189 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Note: this level has been rejected.
- Technically bearish, the rejection of our key resistance yesterday would suggest that the USD 2,150 low is now vulnerable. Intraday Elliott wave analysis continues to suggest that upside moves should be considered as countertrend, we now have a potential downside target at USD 2,087; however, a new low will create a positive divergence with RSI, suggesting caution on downside breakouts. Note: once we have made a new low upside moves will not be considered as countertrend.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,246	R1	2,305		RSI below 50
S2	2,221	R2	2,351		
S3	2,209	R3	2,378		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (37)
- Stochastic is below 50
- Price is below the daily pivot point USD 2,305
- Technically unchanged yesterday, we remained in a bearish trending environment with the lower timeframe RSI still in divergence, warning we could see a momentum slowdown. We maintained our view that upside moves should be considered as countertrend based on the strength of the current bear wave which was bearish impulse. The future did move higher, but price rejected the base of the Fibonacci resistance zone resulting in a move lower into the close. We remain below all key moving averages supported by the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 2,305 with the RSI at or below 31 will mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is aligned to the buy side. Upside moves that fail at or below USD 2,414 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 at this point. The rejection of the resistance zone is warning that support levels are vulnerable; however, the MA on the RSI is starting to turn higher, meaning sell side momentum is starting to slowdown. The upside move looks like a countertrend wave 4, confirmation that we are in a wave 5 will only come on a new low.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	19,692	R1	20,435	RSI above 50	Stochastic overbought	
S2	19,433	R2				20,225
S3	19,240	R3				20,387

Source Bloomberg

Synopsis - Intraday

- Price is between the EMA resistance band (Black EMA's)
- RSI is above/at 50 (50)
- Stochastic is overbought
- Price is above the pivot point USD 20,183
- Technically bearish yesterday with price still in divergence on the lower timeframe, suggesting caution on downside breakouts. The upward spike in the morning session yesterday was potentially the intraday counter-trend move that we had highlighted (admittedly it was short). For this reason, the futures were no longer considered a technical sell, as downside moves had the potential to be limited from here. The futures have moved higher with price trading into the EMA resistance band with the RSI neutral at 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle below USD 20,183 with the RSI at or below 40.5 will mean price and momentum are aligned to sell side. Upside moves that fail at or below 20,607 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically we remain bearish; however, the futures are moving higher on a positive divergence, whilst the MA on the RSI would suggest that momentum is turning to the buyside, warning resistance levels remain vulnerable. 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	RSI above 50	Stochastic overbought
2,110	2,145			
S2	R2			
2,089	2,149.5			
S3	R3			
2,078	2,159			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA Resistance band (Black EMA's)
- RSI is above 50 (51)
- Stochastic is overbought
- Price is below the daily pivot point USD 2,130
- Bearish with a neutral bias yesterday, the MA on the RSI did suggest that momentum was supported, warning resistance levels were vulnerable. The futures did move higher but failed to trade above the USD 2,345 fractal resistance, price is now coming under pressure this morning. Price is above the EMA resistance band with the RSI above 50, intraday price and momentum are aligned to the buy side as the previous candle closed above the daily pivot point.
- A close on the 4-hour candle below USD 2,130 with the RSI at or below 48.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,110 will support a near-term bull argument, below this level we target the USD 2,093.5 fractal low.
- We remain technically bearish but with a neutral bias. The futures are rolling over to the downside, but the MA on the RSI is warning that momentum is supported, making USD 2,110 the key level to follow. Due to the strength of the upside move on the back of the divergence, we remain cautious on downside moves at this point.

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