

China

Chinese consumer sentiment improved in August, snapping several months of decline, though it remains weak compared to earlier in the year, according to two surveys.

Economists will be watching closely if the trend continues since consumption, a key driver of China's economy, has slowed in recent months because of waning confidence and a housing market slump.

The share of consumers planning to spend more over the next six months and "trade up" to more expensive brands increased in August compared with June, according to a bi-monthly survey from Bank of America Corp. (Bloomberg).

Copper

Copper fell from its highest close in more than two weeks as investors awaited a speech due Friday from Federal Reserve Chair Jerome Powell that may provide clues on his next steps in taming inflation.

Powell is expected to offer the Fed's latest thinking on inflation and interest rates to global central bankers gathered in Jackson Hole, Wyoming, for an annual conference. Downbeat US economic data on Wednesday supported the case for a pause in rate hikes.

Metals have broadly performed well in the past week, joining a rally across risk assets. But China's economy remains a key risk, amid signs that the country's local-government debt problems are worsening.

Copper declined 0.3% to \$8,429 a ton by 11:04 a.m. Shanghai time after five consecutive days of gains, while aluminum was also down 0.3% and nickel fell 1.1%.

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,426	R1	8,456	RSI above 50	Stochastic overbought
S2	8,333	R2			
S3	8,292	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (61)
- Price is above the daily pivot point USD 8,426
- Stochastic is overbought
- Technically bearish yesterday, we had a neutral bias, the strength of the upside move meant that the probability of the futures trading to a new low had decreased. The MA on the RSI suggested that momentum remained supported, warning that the USD 8,494 fractal high could be tested and broken, if it was, then the intraday technical would be bullish. The futures continue to move higher with price nearing but still below the fractal resistance. Price is above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 8,426 with the RSI at or below 54.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 8,237 will support a near-term bull argument, below this level the USD 8,120 fractal low will be vulnerable.
- Unchanged technically, the futures are moving higher on the back of a positive divergence with the RSI whilst the downside Elliott wave cycle looks like it has completed. The MA on the RSI continues to suggest that momentum is supported, implying the USD 8,494 resistance could be tested and broken, above this level the intraday technical is bullish.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	2,179	R1	2,178.5	RSI above 50	Stochastic overbought	
S2	2,161	R2				2,214
S3	2,152	R3				2,241

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA Resistance band (Black EMA's)
- RSI is above 50 (54)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,179
- Technically bullish yesterday, the RSI was making new highs with the MA on the RSI implying momentum was supported, suggesting downside moves should be considered as countertrend, making USD 2,140 the key support to follow. The futures have seen a technical pullback with price trading back to but holding above the EMA band, the RSI is above 50 with price and momentum now conflicting, as the opening candle closed below the daily pivot level.
- A close on the 4-hour candle below USD 2,179 with the RSI at or below 51 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. Downside moves that hold at or above USD 2,140 will support a bull argument, below this level the technical will have a neutral bias.
- The futures remain technically bullish with the MA on the RSI continuing to suggest that momentum is supported, suggesting the USD 2,198 resistance remains vulnerable. However, we should note that price is now approaching a resistance zone that formed between late July and Early August, warning we could see existing longs or technical sellers around the USD 2,202 area. If however, we trade above and hold above this level it will further support a buyers argument.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,362	R1	2,381.5	RSI above 50	Stochastic overbought
S2	2,341	R2			
S3	2,326	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (56)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,362
- The futures remained technically bearish yesterday with price moving higher, in what looked to be a countertrend move. The MA on the RSI suggested that momentum was supported; however, price was testing the EMA resistance band whilst the daily RSI was testing its MA resistance, suggesting caution on upside moves. The futures have continued to move higher with price above the EMA resistance band whilst the daily RSI is now above its MA, the intraday RSI is above 50 with price and momentum aligned to the buyside.
- A close on the 4-hour candle below USD 2,362 with the RSI at or below 49 will mean price and momentum are aligned to the sell 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. Likewise, downside moves that hold at or above USD 2,307 will support a near-term bull argument, below this level the USD 2,265 fractal low will start to look vulnerable.
- The Elliott wave cycle continues to suggest that the current upside move looks to be countertrend; however, the MA on the RSI remains supported implying we have the potential to move higher in the near-term, making USD 2,414 the key level to follow. Above this level the pullback will be considered as deep, meaning the probability of the futures trading to a new high will have decreased. If the RSI starts to move below its MA then we could see momentum start to weaken, indicating support levels could come under pressure.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	20,320	R1	20,650	RSI above 50	Stochastic overbought
S2	19,970	R2			
S3	19,692	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (53)
- Stochastic is overbought
- Price is below the daily pivot point USD 20,825
- Bearish with a neutral bias yesterday, the depth of the upside move meant that the probability of the futures trading to a new low has decreased. The MA on the RSI continued to suggest that momentum was supported at this point, implying resistance levels were vulnerable; however, we had a note of caution as the 1-hour RSI was in divergence, not a sell signal it warned that we had the potential to see a momentum slowdown which needed to be monitored. The futures traded to a high of USD 21,000 before entering a corrective phase, with price back trading at yesterday's levels. We remain above the EMA resistance band with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 20,825 with the RSI at or below 53 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. Downside moves that hold at or above USD 20,320 will support a near-term bull argument, below this level we target the USD 19,970 fractal support.
- Technically we remain bearish with a neutral bias. The RSI is now testing its MA support which continues to point in an upward trajectory, implying momentum is supported at this point, suggesting the USD 21,075 resistance remains vulnerable. Key support is at USD 20,320.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,171	R1	2,187	RSI above 50	Stochastic overbought
S2	2,164	R2	2,198		
S3	2,160	R3	2,209		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (58)
- Stochastic is overbought
- Price is on the daily pivot point USD 2,177
- Technically bullish yesterday, we had a note of caution as the downside move had been on the back of a negative divergence with the RSI, making USD 2,148 the key support to follow. The futures traded to a high of USD 2,190 before seeing a light pullback on the open this morning. Price is above all key moving averages with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,177 with the RSI at or above 61.5 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. Downside moves that hold at or above USD 2,164 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, intraday Elliott wave analysis would suggest that we have a potential upside target at USD 2,209; however, the RSI remains in divergence, not a sell signal it is a warning that we have the potential to see a momentum slowdown. For this reason we continue to have a cautious view on upside moves.