

## China

China's yuan has bottomed out and is set to recover as investors unwind bullish dollar bets in anticipation of slower US growth and an end to Federal Reserve tightening, according to the wealth arm of Standard Chartered Plc.

The dollar-yuan currency pair is unlikely to touch new highs even as Beijing maintains loose monetary policy to support its stuttering economy, said Steve Brice, group chief investment officer for wealth management in Singapore. The yuan has tumbled about 6% since the start of April as disappointing data and concern over a property crisis sap investor confidence. (Bloomberg).

## Ni

Another trading house has been stung after buying a cargo supposedly containing nickel that turned out to be full of near-worthless rubble.

The latest example, detailed in lawsuits in London and Singapore, is separate from the \$600 million alleged fraud against Trafigura Group that shocked the trading industry earlier this year, but it involves several of the same companies.

The revelation that the problem of non-existent nickel is more widespread will be another blow to confidence in the scandal-prone metals trading industry. The Trafigura case has spawned several lawsuits, while in March the London Metal Exchange discovered that 54 tons of "nickel" held at a warehouse in Rotterdam and owned by JPMorgan Chase & Co. was actually just bags of stones.

It also casts more light on the business links between several different companies that Trafigura alleges were connected to businessman Prateek Gupta and perpetrated a massive fraud against it.

In the new case, US trading house Kataman Metals LLC alleges it paid \$3.3 million for nickel from New Alloys Trading Pte. only to discover when it opened the containers that there was no nickel inside.

New Alloys is among the companies that Trafigura claims was part of the alleged Gupta fraud. New Alloys isn't owned by Gupta, and the Kataman claim against New Alloys makes no mention of him.

Still, the trade appears to be part of a broader set of transactions involving several companies linked to Gupta, and Gupta himself got involved in negotiations over them, according to Kataman's separate London lawsuit. (Bloomberg)

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,333	R1 8,392	8,345	RSI above 50	
S2	8,292	R2 8,494			
S3	8,237	R3 8,594			

## Synopsis - Intraday

Source Bloomberg

- Price is on/below the EMA resistance band (Black EMA's)
- RSI is above 50 (50)
- Price is below the daily pivot point USD 8,392
- Stochastic is below 50
- Unchanged on the technical yesterday, the futures were moving higher on the back of a positive divergence with the RSI whilst the downside Elliott wave cycle looks like it had completed. The MA on the RSI continued to suggest that momentum was supported, implying the USD 8,494 resistance could be tested and broken, above this level the intraday technical would be bullish. The futures have not traded to a new high as price has entered a corrective phase; price is trading on/below 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 above USD 8,392 with the RSI at or above 58.5 will mean price and momentum are aligned to the buyside. 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.
- Technically bearish with a neutral bias, the futures are moving lower with price now testing the top of the Fibonacci support band. The MA on the RSI is turning lower, implying momentum is weakening; however, the RSI is neutral at 50 with the stochastic approaching oversold territory. If the RSI holds above 50, then momentum is warning that we have the potential to see a move higher, below 50 the stochastic is considered as less relevant. Momentum indicators are now conflicting. Key support remains unchanged at USD 8,237, if broken it will warn that the probability of the futures trading to a new high will have decreased, implying there could be a larger bear cycle in play. However, the futures have moved higher on the back of a positive divergence having completed an intraday Elliott wave cycle lower, indicating this move lower is potentially corrective not bearish. This is supported by the recent move higher in the RSI, which also indicates that the move lower looks to be against the trend.

# Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,163	R1	2,198	RSI above 50	
S2	2,152	R2	2,214		
S3	2,140	R3	2,241		

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA Resistance band (Black EMA's)
- RSI is above 50 (50)
- Stochastic is oversold
- Price is above the daily pivot point USD 2,163
- The futures remained technically bullish yesterday with the MA on the RSI continuing to suggest that momentum was supported, implying the USD 2,198 resistance remained vulnerable. However, we noted that price was 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 traded above and held above this level it would further support the buyer's argument. Having pulled back to the EMA band yesterday morning, the futures have continued to move lower with price testing but currently holding above the Fibonacci support zone. Price is below the EMA resistance band with the RSI neutral at 50, intraday price and momentum are aligned to the sell side, as the previous candle closed below the daily pivot point.
- A close on the 4-hour candle above USD 2,163 with the RSI at or above 54.5 will mean price and momentum are 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 but in a corrective phase. The RSI is now neutral with the stochastic in oversold territory, momentum is warning that we could be vulnerable to a move higher, providing the RSI can hold above the 50 level. We maintain our view that USD 2,202 will be an area of interest to market sellers if tested.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,380	R1	2,399	RSI above 50	Stochastic overbought
S2	2,351	R2			
S3	2,335	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (59)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,380
- The Elliott wave cycle continues to suggest that the current upside move looks to be countertrend yesterday; however, the MA on the RSI remained 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. The futures have continued to move higher, but price remains below our key resistance level. Price is above the EMA resistance band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,380 with the RSI at or below 52.5 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 2,312 will support a near-term bull argument, below this level the USD 2,265 fractal low will start to look vulnerable.
- The futures continue to move higher with the MA on the RSI suggesting momentum is still supported, leaving the USD 2,414 resistance vulnerable. Above this level the pullback will be considered as deep, meaning the probability of the futures trading to a new high will have decreased. Intraday Elliott wave analysis continues to suggest that the current upside move is potentially countertrend, making USD 2,414 the key resistance to follow at this point.

# Nickel Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	20,945	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (58)
- Stochastic is overbought
- Price is above the daily pivot point USD 20,745
- Technically we remained bearish with a neutral bias yesterday. The RSI was testing its MA support which continued to point in an upward trajectory, implying momentum was supported, suggesting the USD 21,075 resistance remained vulnerable. Key support was at USD 20,320. The pullback held at the EMA resistance band resulting in the futures moving higher, the RSI is above 50 with price and momentum aligned to the buy side.
- A close on the 4-hour candle below USD 20,745 with the RSI at or below 54 will mean price and momentum are aligned to the sell side. 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 bearish with a neutral bias, the move higher continues to suggest that the USD 21,075 resistance is vulnerable. However, above this level the futures will be in divergence with the RSI, not a sell signal it is a warning that we have the potential to see a momentum slowdown, implying caution on upside breakouts.

# Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,171	R1	2,177	RSI above 50	Stochastic overbought
S2	2,164	R2			
S3	2,160	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (57)
- Stochastic is overbought
- Price is on the daily pivot point USD 2,178
- Technically bullish yesterday, intraday Elliott wave analysis suggested that we have a potential upside target at USD 2,209; however, the RSI remained in divergence, not a sell signal it warned that we have the potential to see a momentum slowdown. For this reason, we continued to have a cautious view on upside moves. The futures traded to a new high, but the move failed to hold. Price remains above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the sell side, as the previous candle closed below the daily pivot point.
- A close on the 4-hour candle above USD 2,178 with the RSI at or above 60.5 will mean price and momentum are aligned to the buyside. 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.
- Unchanged technically, we remain cautious on upside moves due to the divergences that are in play.