

## China

China's exports declined less than expected in August, pointing to improved external appetite for Chinese products and continued weakness in global trade, official data showed Thursday.

Outbound shipments dropped 8.8% from a year earlier, compared with the 14.5% decline in July, the General Administration of Customs said. The result was better than the 10.0% fall expected by economists in a Wall Street Journal poll.

Chinese imports declined 7.3% in August, compared with July's 12.4% fall and the 9.7% drop expected by the economists surveyed.

That put China's trade surplus at \$68.36 billion, lower than the \$80.6 billion surplus in July and the \$73.8 billion surplus expected by economists. (Bloomberg).

## AI

The US and European Union are working on an agreement that would introduce new tariffs aimed at excess steel production from China and other countries, as well as put behind them a Trump-era trade conflict.

The levies would primarily be focused on imports from China that benefit from non-market practices, according to people familiar with the discussions, who said talks were ongoing. The scope of the measures, including other countries that could be targeted and the level of the tariffs, are still being discussed. It's also expected to provide a framework for other nations to join in the future.

The agreement would be part of the so-called Global Arrangement on Sustainable Steel and Aluminum that the EU and the Biden administration have been negotiating since 2021. The talks are aimed at settling a dispute that started when President Donald Trump slapped tariffs on metals imports from Europe, citing risks to national security.

The US has imposed a 25% tariff on the imports since 2018 and the EU applies about the same level of duty on an array of steel imports under its own safeguard measures (Bloomberg).

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,321	R1	8,346	Stochastic oversold	RSI below 50
S2	8,273	R2			
S3	8,213	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (41)
- Price is below the daily pivot point USD 8,395
- Stochastic is oversold
- Technically bullish with a neutral bias yesterday, the MA on the RSI warned that momentum was weak. We also highlighted that the RSI had made a new low, in theory this was known as a bullish hidden divergence, as price had held support, resulting in a move higher. However, the support break on the RSI warned that the move higher could struggle to hold, suggesting support levels in the futures were vulnerable. The upside move failed to hold resulting in the futures selling lower. The intraday technical is now bearish. 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 8,395 with the RSI at or above 51 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 8,443 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the MA on the RSI, alongside the RSI making new lows would suggest that momentum is weak at this point, implying that upside moves have the potential to be countertrend. Downside moves below USD 8,322 will break a daily fractal support, which would have further bearish implications for the technical. Key resistance to follow is at USD 8,443, above this level the pullback would be considered as deep, meaning the probability of the futures trading to a new low will decrease.

# Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,185	R1	2,191.5		RSI below 50
S2	2,171	R2			
S3	2,147	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is between the EMA support band (Black EMA's)
- RSI is below 50 (48)
- Stochastic is below 50
- Price is below the daily pivot point USD 2,199
- Technically bullish with a neutral bias yesterday, we had conflicting momentum indicators again, as the RSI was above 50 with the stochastic in oversold territory, momentum warned that the futures were vulnerable to a move higher, providing the RSI could hold above 50. Countering this, the MA on the RSI suggested that momentum was weak. The deep pullback meant that the probability of the futures trading to a new high had decreased but the Elliott wave cycle continued to suggest that we were vulnerable to a move higher, albeit from a neutral environment. 1 – hour momentum was turning bullish; however, market buyers would need to see the 4-hour RSI close above its average, if we did, then focus will be on the USD 2,233 resistance. A mixed technical, there were warning signs of support on the lower timeframe, but the deep pullback was a concern. The futures traded to a high of USD 2,220 before correcting into the close, meaning price is back in the EMA support band with the RSI now below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,199 with the RSI at or above 52.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,233 will leave the futures vulnerable to further tests to the downside, above this level the technical is considered as bullish, warning that the USD 2,260 fractal high could come under pressure. Note: the upside move yesterday failed to hold.
- Technically bullish with a neutral bias, the MA on the RSI continues to suggest that momentum is weak with the RSI now below 50, momentum on the intraday is also weakening. However, we should note that a move below USD 2,181 will potentially create a positive divergence with the RSI on the 1-hour technical, implying caution on downside breakouts. The futures are vulnerable to a move lower in the near term but downside moves have the potential to be limited.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,448	R1	2,466	RSI above 50	
S2	2,436	R2	2,519		
S3	2,416	R3	2,543		

**Synopsis - Intraday**

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (53)
- Stochastic is below 50
- Price is below the daily pivot point USD 2,466
- Technically bullish yesterday. The futures were consolidating as the market was unsure about the next move. If we looked at the moving averages the market was supported, we also had the RSI above 50 whilst the stochastics were oversold, again supporting an upside move. However, the MA on the RSI warned that momentum was weak with the 5-wave pattern higher suggested caution on upside moves, meaning we had a neutral view. The futures had a test to the downside yesterday but the move failed to hold, however the USD 2,448 support was breached, meaning the technical has a neutral bias. Price is coming under pressure this morning, but we remain above the EMA support band with the RSI above 50, intraday price and momentum are conflicting, as the opening candle closed above the daily pivot level.
- A close on the 4-hour candle above USD 2,466 with the RSI at or above 60.5 will mean price and momentum are aligned to the buy side; likewise, a close below this level (currently trading below) will mean it is aligned to the sell side.
- Technically bullish with a neutral bias. The MA on the RSI continues to suggest momentum is weak whilst the RSI is currently making a new low, if we stay at these levels into the candle close, it will warn that upside moves from here could potentially be countertrend in the near-term. However, we should note that on the daily chart that the MA on the RSI suggests that momentum is supported on the higher timeframe. Technically we continue to conflict, the near-term price action looks vulnerable to further tests to the downside, but we could see buying support at lower levels, if the daily RSI fails to close below its average.



# Nickel Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	20,300	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (39)
- Stochastic is oversold
- Price is below the daily pivot point USD 20,706
- Technically bullish yesterday, the MA on the RSI was neutral with the RSI testing the support levels highlighted previously, intraday Elliott wave analysis warned that the USD 21,350 resistance remained vulnerable. If we did see the RSI close below its support, it would have meant that we had a bullish hidden divergence in play; this suggests that any move higher was likely to be the last within this phase of the cycle. The RSI broke support with price failing to produce a move higher, resulting in a move lower, the technical now has a neutral bias. Price is below the EMA support 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 20,706 with the RSI at or above 54.5 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 20,842 will leave the futures vulnerable to further tests to the downside, above this level the technical the USD 21,125 fractal resistance has the potential to be tested.
- Technically bull with a neutral bias, the MA on the RSI would suggest that momentum is weak, whilst the RSI is making new lows. This suggests that upside moves could be countertrend in the near-term.

# Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	2,223	R1	2,234.5	RSI above 50	Stochastic overbought	
S2	2,187	R2				2,347
S3	2,166	R3				2,264

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (56)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,223
- The futures and the intraday Elliott wave cycle remained bullish yesterday. The futures had held above our key support at USD 2,187, warning resistance levels were vulnerable. However, the RSI needed to close above its MA, as it suggested that momentum remained weak. The futures moved higher with the RSI now above its MA, price is above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,223 with the RSI at or below 52 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,187 will support a bull argument, below this level the technical will have a neutral bias; likewise, upside moves that fail at or below USD 2,264 will leave the futures vulnerable to further tests to the downside.
- Technically bullish, the futures are moving higher with the RSI back above its MA, warning the USD 2,264 resistance is vulnerable. Key support is unchanged at USD 2,187, if broken it will indicate that the pullback is deep, meaning the probability of the futures trading to a new high will decrease. Technically bullish, we do have a concern around the sector weakness this morning which warns we could see upside moves struggle to hold.