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China's copper sector should stop building so much new capacity to ensure the industry's sustainable development amid a "complex" external environment, according to the country's top metals association.

The industry should "acknowledge the importance of self-discipline in controlling total quantity" of production, the China Nonferrous Metals Industry Association, or CNIA, said in a statement on Tuesday. The comments came after a meeting of major copper miners, smelters and fabricators in Kunming, Yunnan province, where an industry conference is underway.

The key concern for copper smelters is too much reliance on imported raw materials from third parties, according to Ye Xiaohui, analyst with Beijing Antaike Information Development Co., a state-backed researcher. Smelters got 77% of their ore from outside China in 2022, versus 60% a decade earlier, and that ratio could rise further, Ge Honglin, CNIA's chairman, told the conference. (Bloomberg).

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,262	R1	8,314	Stochastic oversold	RSI below 50
S2	8,245	R2	8,335		
S3	8,216	R3	8,389		

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (41)
- Price is below the daily pivot point USD 8,314
- Stochastic is oversold
- Technically bearish yesterday, the MA on the RSI suggested that momentum was weak whilst the RSI has made a new low, warning that upside moves have the potential to be countertrend. A move above USD 8,409 would be deep into the last bear wave, warning that the probability of the futures trading to a new low will decrease. The futures traded to a low of USD 8,262 before finding light bid support with the futures moving lower in the Asian day session. Price is below the EMA resistance band with 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 above USD 8,314 with the RSI at or above 48 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 8,389 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 continues to suggest that momentum is weak with price rejecting the Fibonacci resistance zone. This would suggest that the USD 8,262 has the potential to be tested and broken. Point of note, the trend support on the 15-month symmetrical triangle from last Friday's technical is currently at USD 8,192, making this an area of interest if tested, that market bulls will want to defend.

# Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,197	R1	2,217	RSI above 50	Stochastic overbought
S2	2,183	R2			
S3	2,167	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is below 50 (53)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,215
- Technically bearish with a neutral bias yesterday, we had a conflicting technical. The upside move above USD 2,220 meant that the probability of the futures trading to a new low had decreased. However, the MA on the RSI continues to suggest that momentum was weak whilst the RSI had recently made a new low, implying that the current upside move was potentially countertrend. Although we had a deep pullback, we were cautious on the current upside move, as momentum would suggest we could see another move lower, making USD 2,197 the key support to follow. The futures have moved sideways with price continuing to hold above the EMA support band whilst the RSI is above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 2,215 with the RSI at or below 49.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,197 will support a near-term bull argument, below this level the technical will be considered as bearish again, meaning the USD 2,185 fractal low will be vulnerable.
- We remain bearish with a neutral bias, the MA on the RSI has now started to move higher, warning we are starting to see momentum support. Based on price and the MA/RSI combination, the technical is warning that resistance levels are vulnerable. However, the move higher between the 08/09 and the 14/09 does not look to be bullish impulse, meaning the technical is conflicting. For this reason we now have a neutral bias as we the lower timeframe Elliott wave cycle continues to suggest that support levels are vulnerable.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,479	R1	2,491	Stochastic oversold	RSI below 50
S2	2,469	R2			
S3	2,461	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (46)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,505
- We remain bullish with a neutral bias yesterday with momentum continuing to conflict. The deep pullback on the negative divergence (33 min chart) continued to suggest caution on upside moves. Downside moves below USD 2,469 would create a lower low and be considered as bearish, whilst a close above USD 2,541.5 would warn that momentum based on price was starting to strengthen, as this would be above the high of the last dominant bear candle. The futures continued to move lower on the back of the lower timeframe divergence, resulting in the RSI moving below 50, meaning the oversold stochastic is considered as less relevant. Price is below the EMA support band with price and momentum aligned to the sell side.
- A close on the 4-hour candle above USD 2,505 with the RSI at or above 53.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,555 will support a bull argument, above this level the USD 2,595 fractal high will be vulnerable.
- Technically bearish with a neutral bias, the MA on the RSI continues to suggest that momentum is weak whilst the RSI has moved below 50, in theory support levels are now vulnerable. However, we have a small note of caution here, as the intraday 30-min chart is in divergence, warning downside momentum is slowing. The lower timeframe move lower looks to consist of 5-waves, suggesting that upside moves should still be considered as countertrend, making USD 2,555 resistance the key level to follow.

# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	19,853	R1	20,226		RSI below 50
S2	19,773	R2	20,355		
S3	19,550	R3	20,575		

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (49)
- Stochastic is above 50
- Price is above the daily pivot point USD 19,853
- Technically bearish yesterday, we had a neutral bias as the downside cycle looked like it had completed but momentum remained weak, meaning the technical was conflicting. The futures did trade to a new low before finding bid support, resulting in a USD 750 move higher. Price is now between 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 19,853 with the RSI at or below 42 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 20,226 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 19,773 will support a near-term bull argument, if broken, the USD 19,550 fractal low could potentially come under pressure.
- Technically we are bearish with price below key resistance. However, the futures are moving higher on the back of a positive divergence whilst the MA on the RSI now starting to turn higher, warning that resistance levels are starting to look vulnerable. From an Elliott wave perspective, the downside move to a new low means that we were looking at Elliott wave extension which we feared but could not foresee; hence the neutral bias previously, as the technical and wave cycle were conflicting. A cautious bear due to the divergence with resistance looking like it could be tested.

# Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,202	R1	2,218.5	Stochastic oversold	RSI below 50
S2	2,187	R2			
S3	2,166	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (47)
- Stochastic is below 50
- Price is below the daily pivot point USD 2,228
- Technically bullish yesterday, the MA on the RSI was flat, meaning momentum was turning neutral due to the move lower previously. However, our intraday Elliott wave analysis continued to suggest downside moves should be considered as countertrend, making USD 2,187 the key support to follow. Below this level the pullback would be considered as deep, meaning the probability of the futures trading to a new high would have decreased. The futures traded lower with price now 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 2,228 with the RSI at or above 53 will mean price and momentum are aligned to the buyside. 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.
- The technical is now conflicting as the Elliott wave cycle continues to suggest that the technical is bullish but the MA on the RSI is warning that momentum is weak at this point. The futures may move lower in the near-term; however, we remain cautious on downside moves at this point, as we maintain our longer-term view based on the wave cycle that resistance levels remain vulnerable.