

## China

Chinese shares finished lower on Tuesday as sentiment was dampened by the lingering property slowdown in China that prompted S&P Global Ratings to cut its growth forecast for the country this year to 4.8% from 5.2%.

The Shanghai Composite Index, the main gauge of Chinese stocks, fell 0.3%, or 9.38 points, to 3,106.22. The Shenzhen Component Index likewise edged down 0.6%, or 57.32 points, to 10,063.30. Both indices were down for a second straight session.

Investors remained risk-averse after S&P Global trimmed its economic growth forecast for China, citing the ongoing challenges in the property market.

The rating agency also lowered its 2024 growth forecast for China to 4.4% from 4.8% previously, according to a note on Monday. (Bloomberg).

## Cu

Contango pricing at the front-end of the curve is the commodity market's way of telling you there's plenty of stuff to go around in the here-and-now, with ample prompt supplies. So copper's widest cash-to-three month discount in decades raises a big question about whether the metal can retain its hold above \$8,000/ton.

On Monday, spot metal on the LME was about \$70/ton cheaper than the benchmark price three months out. That's the widest discount in records going back to 1994. It's also an especially bad look as the dollar perks up, with higher-for-longer having an impact. (Bloomberg).

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,130	R1	8,143		RSI below 50
S2	8,079	R2	8,181		
S3	8,027	R3	8,203		

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (36)
- Price is below the daily pivot point USD 8,162
- Stochastic is below 50
- We remained bearish yesterday with intraday Elliott wave analysis continuing to suggest that support levels were vulnerable. A close on the 4-hour candle above USD 8,247.5 would be above the high of the last dominant bear candle, warning the USD 8,297.5 and the USD 8,359 resistance levels could come under pressure. The futures continued to move lower with price trading into the Fibonacci support zone. We remain below all key moving averages with the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 8,162 with the RSI at or above 41 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 8,233 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, intraday Elliott wave analysis continues to suggest that support levels are vulnerable, with the RSI rejecting its MA on the small move higher on the open. The MA on the RSI has started to flatten, warning that sell side momentum is starting to slowdown a little.

# Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,218	R1	2,229.5	RSI above 50	
S2	2,212	R2			
S3	2,202	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (51)
- Stochastic is above 50
- Price is on the daily pivot point USD 2,229
- Technically bullish yesterday, we had moved lower with the MA on the RSI implying momentum was starting to weaken, making USD 2,218 the key support to follow. Below this level the probability of the futures trading to a new high would decrease due to the depth of the pullback. The futures continued to move lower on the weakening momentum with price breaching but not closing below the USD 2,218 support, meaning the technical although bullish now has a neutral bias. We remain above the EMA support band with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,229 with the RSI at or above 56 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.
- Technically bullish with a neutral bias, the RSI is rejecting its MA, suggesting support levels are vulnerable. Like copper, the MA on the RSI is now flat, warning sell side momentum is slowing, the deep pullback means that the probability of the futures trading to a new high had decreased. We are a cautious bull, as support levels remain vulnerable, but are conscious that the futures are trading into the EMA support band, making this a high risk area for market sellers.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,543	R1	2,547.5	RSI above 50	
S2	2,535	R2			
S3	2,527	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (54)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,535
- Technically bullish yesterday, The USD 2,595 resistance was looking vulnerable, a move below USD 2,506 would suggest that the USD 2,475 fractal low could come under pressure. If the fractal support was broken, then we would be looking at a complex corrective phase. The futures corrected yesterday but held support, before trading above the USD 2,568 fractal resistance this morning. We remain above all key moving averages supported by the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,535 with the RSI at or above 57.5 will mean price and momentum are aligned to the buyside. Likewise, a close below this level with the RSI at or below 53 will mean it is aligned to the sell side. Downside moves that hold at or above USD 2,534 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, we have previously noted that the USD 2,595 resistance is vulnerable, this has been supported by a move higher, but not to a new high. The strong upside move this morning has resulted in a negative divergence, warning buyside momentum could slow (the divergence looks to have been caused by the strength of the upside move on the open, I.E., it was too fast). The divergence suggests caution as it warns that support levels could come under pressure, making USD 2,534 the key support to follow. Bullish yesterday, we now have a more neutral bias, as we were not expecting to see a divergence appear on a bullish impulse move.

# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	18,898	R1	19,230	Stochastic oversold	RSI below 50
S2	18,662	R2	19,514		
S3	15,541	R3	19,647		

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (35)
- Stochastic is oversold
- Price is below the daily pivot point USD 19,230
- We remained bearish with upside moves considered as countertrend due to the divergence failure yesterday, meaning the USD 19,100 fractal support was vulnerable. The futures have traded lower resulting in the support being broken, price is below all key moving averages with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 19,230 with the RSI at or above 40.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or above USD 19,820 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the futures are now in divergence with the RSI, warning we have the potential to see a momentum slowdown. However, our intraday Elliott wave analysis continues to suggest that upside moves should be considered as countertrend at this point.



# Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,187		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 (43)
- Stochastic is below 50
- Price is on the daily pivot point USD 2,189
- We remained bullish with a neutral bias yesterday, the RSI low on the 21/09 continued to suggest that the USD 2,163 support was vulnerable. The RSI had found support on its MA and needed to close below it for support levels to come under pressure. The probability of the futures trading to a new high had decreased; however, a move above USD 2,233 would mean that resistance levels would start to look vulnerable. The futures traded to a low of USD 2,172 before finding light bid support. Price is below the EMA resistance band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,189 with the RSI at or above 46.5 will mean price and momentum are aligned to the buy side; likewise, a close below this level with the RSI at or below 42 will mean it is aligned to the sell side. 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 futures will target the USD 2,270 fractal high.
- Technically bullish with a neutral bias; as noted yesterday, the RSI low on the 21/09 continues to suggest that support levels are vulnerable at this point. However, below USD 2,163 we have the potential to produce a positive divergence with the RSI, this will need to be monitored if the divergence does form.