

## China

China will just about meet its economic growth target of around 5% for this year, the latest Bloomberg survey shows, although the ongoing property crisis is raising the risk of a miss.

The economy is projected to expand 5% in 2023, according to the median estimate in a new Bloomberg survey of 78 economists — a 10 basis point-downgrade from an earlier poll, with analysts citing property as the biggest challenge for the nation.

“The real estate sector will continue to be under mounting pressure” despite recent government efforts to support property, said analysts at Poseidon Partner, a Hong Kong-based investment firm. “We expect to see players who racked up debt in the past to continue to suffer.” (Bloomberg).

## Al

China already has enough green aluminum production capacity to meet demand from Europe, Ge Honglin, chairman of the China Nonferrous Metals Industry Association, said at a conference in Yinchuan, in the Ningxia autonomous region on Wednesday.

More than a quarter of Chinese primary aluminum capacity, or ~10m tons/yr, uses renewable energy, which can meet EU requirements

Chinese exports to EU should stick to green, high value added aluminum products (Bloomberg).

## Ni

Nickel extended its decline to the lowest level in 14 months on a strengthening dollar and increasing supplies from Indonesia and China.

Prices have slumped 38% this year, the biggest loss among the main metals on the London Metal Exchange. The Bloomberg dollar index is at the highest level for 2023 as Federal Reserve officials expect a further hike in interest rates.

Nickel, which is used in stainless steel and electric vehicle batteries, is in a downward spiral because of rising supplies from new plants in Indonesia and China following a historic short squeeze last year (Bloomberg).

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,079	R1	8,119	Stochastic oversold	RSI below 50
S2	8,027	R2	8,155		
S3	7,954	R3	8,182		

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (32)
- Price is below the daily pivot point USD 8,119
- Stochastic is oversold
- Technically bearish yesterday, intraday Elliott wave analysis continued to suggest that support levels were vulnerable, with the RSI rejecting its MA on the small move higher on the open. The MA on the RSI had started to flatten, warning that sell side momentum was starting to slow down a little. The futures traded to a new low with price 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 8,119 with the RSI at or above 41 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 8,219 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, we have a potential near-term downside target at USD 8,027. The lower timeframe RSI is in divergence, warning that we could see a momentum slowdown, suggesting caution on downside moves from here. However, our intraday Elliott wave cycle does suggest that upside moves should still be considered as countertrend. From an Elliott perspective, we look to be on a bearish wave 5 of a wave 3.

# Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,237	R1	2,239.5	RSI above 50	Stochastic overbought
S2	2,218	R2			
S3	2,212	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (53)
- Stochastic is overbought
- Price is on the daily pivot point USD 2,237
- Technically bullish with a neutral bias yesterday, the RSI was rejecting its MA, suggesting support levels were vulnerable. Like copper, the MA on the RSI was flat, warning sell side momentum was slowing, whilst the deep pullback from the previous day meant that the probability of the futures trading to a new high had decreased. We were a cautious bull, as support levels remained vulnerable, but were conscious that the futures were trading in the EMA support band, making this a high-risk area for market sellers. The futures held the EMA support band resulting in a move higher, meaning the futures are back in bull territory. The RSI is above 50 with price and momentum aligned to the buyside.
- A close on the 4-hour candle below USD 2,237 with the RSI at or below 51.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,218 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI remains flat, implying momentum is neutral at this point; however, the upside move yesterday is warning that resistance levels are vulnerable, despite the deep pullback on the 25/09.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,495	R1	2,504.5	Stochastic oversold	RSI below 50
S2	2,469	R2			
S3	2,450	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 2,528
- Technically bullish yesterday, we had previously noted that the USD 2,595 resistance was vulnerable, this had been supported by a move higher, but not to a new high. The strong upside move on the open yesterday resulted in a negative divergence, warning buy-side 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 suggested caution, as it warned that support levels could come under pressure, making USD 2,534 the key support to follow. Bullish previously, we had a more neutral bias yesterday, as we were not expecting to see a divergence appear on a bullish impulse move. The futures did move lower on the back of the divergence highlighted, resulting in support levels being broken. Price 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 2,528 with the RSI at or above 53.5 will mean price and momentum are aligned to the buy-side. Upside moves that fail at or below USD 2,544 will leave the futures vulnerable to further tests to the downside, above this level USD 2,570 fractal resistance has the potential to be tested.
- Technically bullish but with a neutral bias due to the move lower yesterday. The MA on the RSI would suggest momentum is weak, whilst the move lower on the back of the negative divergence with the RSI is warning that support levels remain vulnerable at this point.

# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	18,585	R1	18,620	Stochastic oversold	RSI below 50
S2	18,350	R2			
S3	18,053	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (28)
- Stochastic is oversold
- Price is below the daily pivot point USD 18,968
- Technically bearish yesterday, the futures were 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. We continued to move lower with price remaining below the EM resistance band. The RSI is below 50 with price and momentum aligned to the sell side.
- A close on the 4-hour candle above USD 18,968 with the RSI at or above 38 will mean price and momentum are aligned to the buyside. Upside moves that fail at or above USD 19,187 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish with upside moves still considered to be countertrend. We have highlighted USD 19,187 as the key resistance; this level relates to the lower timeframe Elliott wave cycle that is still in divergence with the RSI. However, the longer-term technical (wave cycle) remains bearish below USD 19,914, meaning although an upside move above USD 19,490 would create a higher high, the cycle would remain bearish.

# Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,163	R1	2,172		RSI below 50
S2	2,132	R2			
S3	2,108	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (39)
- Stochastic is below 50
- Price is below daily pivot point USD 2,189
- Technically bullish with a neutral bias; as noted yesterday, the RSI low on the 21/09 continued to suggest that support levels were vulnerable. However, below USD 2,163 we had the potential to produce a positive divergence with the RSI, this needed to be monitored if the divergence did form. The futures moved higher yesterday but we are trading lower today, price has rejected the EMA resistance 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 2,189 with the RSI at or above 45 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 futures will target the USD 2,270 fractal high.
- Unchanged on the technical, we remain bullish with a neutral bias with the USD 2,163 support looking like it could be tested and broken; however, below this level the futures will be in divergence with the RSI, suggesting caution on downside breakouts.