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China's copper smelters pledged to control capacity while stopping short of coordinated output cuts, as the industry responds to a tightening in the global concentrate market that's led to processing fees falling to near nothing.

Copper futures pared gains following a statement from the industry, after surging 3.1% on Wednesday to an 11 month-high as investors bet on a drop in global supply.

Smelters in China, the world's largest refined copper producer and consumer, are at a critical juncture after so-called treatment and refining charges — the amount they are paid to convert concentrate into metal — collapsed to single figures. That prompted firms to meet to discuss how to manage production given their reliance on imported raw materials. (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,836	R1	8,863	RSI above 50	Stochastic overbought
S2	8,766	R2			
S3	8,701	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (61)
- Price is above the daily pivot point USD 8,836
- Stochastic is overbought
- Unchanged on the technical yesterday, the new high meant that the futures were in divergence with the RSI. Not a sell signal it warned that we could see a momentum slowdown, from a technical perspective, we remained a cautious bull. Intraday Elliott wave analysis continues to suggest that we have a potential upside target at USD 8,724. The futures had a very strong move higher after China's copper smelters pledged to control capacity while stopping short of coordinated output cuts (Bloomberg). We are 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 8,836 with the RSI at or below 62 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 8,613 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the upside move yesterday has caused the Elliott wave cycle to extend, meaning downside moves should now be considered as countertrend. We are no longer in divergence, the RSI is making new highs alongside price, supporting a bull argument.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,236	R1	2,258	RSI above 50	Stochastic overbought
S2	2,224	R2			
S3	2,208	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 below the daily pivot point USD 2,263
- Technically bullish yesterday, we had seen a very minor wave extension to the upside on the lower timeframe; however, the futures remained in divergence with the RSI, warning we could see a momentum slowdown. For this reason, we maintained a cautious view on upside moves at these levels. The futures consolidated with price slightly lower on the open this morning. Price is above the EMA support band with the RSI above 50, intraday price and momentum are conflicting, as the previous candle closed above the daily pivot level.
- A close on the 4-hour candle above USD 2,263 with the RSI at or above 60 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. Downside moves that hold at or above USD 2,208 will support a longer-term bull argument, below this level the probability of there being a larger bull cycle in play will decrease. Note: below USD 2,231.5 the intraday technical will be bearish.
- Technically bullish, like yesterday, we maintain a cautious view on upside moves due to the negative divergence in play, as it is warning we have the potential to see a momentum slowdown.

Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,569	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (62)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,567
- We remained technically bearish with a neutral bias yesterday; price action continued to be bullish. We maintained our view based on lower timeframe Elliott wave analysis that we had a potential upside target for this phase of the cycle at USD 2,618. The cycle also suggested that downside moves look like they would be countertrend. However, the futures were currently in divergence with the RSI, warning that we had the potential to see a momentum slowdown. For this reason, we remained cautious on upside moves at these levels. The futures remain supported but have now started to consolidate. We remain above all key moving averages with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,567 with the RSI at or above 68 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. Downside moves that hold at or above USD 2,446 will support a near-term bull argument, below this level the USD 2,372 fractal low will start to look vulnerable.
- Unchanged on the technical, we still have the potential to trade as high as USD 2,618 within this phase of the cycle; however, due to the divergence in play, we do have a note of caution on upside moves. Near-term price action (wave analysis) is warning that downside moves have the potential to be countertrend, suggesting support levels should hold if tested. USD 2,605 is the key intraday resistance to follow, as above the level the technical will be considered as bullish.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	17,680	R1	18,180	RSI above 50	Stochastic overbought
S2	17,400	R2			
S3	17,019	R3			

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 18,393
- Unchanged on the technical yesterday, we continued to move higher with the futures in divergence, meaning we remained cautious on upside moves. Intraday Elliott wave analysis continues to suggest that downside moves should be considered as countertrend. The futures have started to move lower with price now testing the EMA support band, the RSI is above 50 with price and momentum aligned to the sell side.
- A close on the 4-hour candle above USD 18,393 with the RSI at or above 63 will mean price and momentum are aligned to the buyside. Downside moves that hold at or below USD 17,019 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the futures have now entered a corrective phase, the MA on the RSI is warning that momentum is weakening. If we closed on the daily chart below the weekly pivot level (USD 17,863), it will warn that sell side momentum is increasing, meaning support levels could come under pressure. Likewise, downside moves below USD 17,019 will warn that the probability of the futures trading to a new high will start to decrease. Intraday Elliott wave analysis continues to suggest that downside moves have the potential to be countertrend at this point.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,163	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (65)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,158
- The longer-term trend was bearish with a neutral bias yesterday, the probability of the futures trading to a new low was decreasing, price action was bullish. As noted previously, we noted that it looked like the technical footprint had changed to the buy side, implying downside moves looked like they could be counter-trend. We remained in divergence with the RSI on the 4-hour and lower timeframes, meaning we remained cautious on upside moves at these levels. We continue to move higher with price above all key moving averages, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 2,158 with the RSI at or below 62.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,078 will support a near-term bull argument, below this level the USD 2,031 fractal support will start to look vulnerable.
- Our technical view remains unchanged. We remain bearish with a neutral bias, the probability of the futures trading to a new low has decreased. Lower-timeframe momentum indicators remain in divergence, suggesting caution on upside moves at these levels. Based on lower timeframe Elliott wave analysis, suggesting downside moves could be countertrend.

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