

China

Chinese tourists hit the road in greater numbers during a recent five-day Labor Day holiday but kept a tight grip on their wallets, reflecting still-weak sentiment in the world's second-largest economy.

Travelers made 28.2% more trips but spending only rose 13.5% from the 2019 break, the Ministry of Culture and Tourism said in a statement Monday. This translates to a 11.5% drop in spending for each traveler over the holiday ending Sunday, according to banks including Societe Generale, Goldman Sachs Group Inc. and Citigroup Inc.

"Spending per head softened and was again below the pre-pandemic level, owing partly to more tourist flows towards lower-tier cities, and suggesting continued consumption downgrading," said Goldman economists including Lisheng Wang in a note late Monday, adding that more policy support is needed to sustain the recovery of the services sector. The 2019 holiday was one day shorter. (Bloomberg)

Cu

Copper will rally to \$12,000/ton by the end of this year, according to Goldman Sachs Group Inc., raising its target from \$10,000 as a larger-than-expected global deficit beckons.

The concentrate market is already seeing "extreme tightness", which will feed through to refined metal in 2H, analysts incl. Nicholas Snowden write in a May 3 note

Global supply is set to fall short of demand by 454,000 tons this year, vs. earlier estimate of 428,000 tons

"We continue to forecast a shift into open-ended and mounting metal deficits from 2024 onwards," analysts say

Bank also raises FY forecast for average price to \$9,800/ton, vs. \$9,200 previously

With visible stockpiles at just over 600,000 tons, there's potential for the market to see "a stockout episode" by 4Q

In China, a short-term increase in scrap supply, as well as destocking by fabricators, has delayed the impact of deficit, but this phase will be "relatively brief" (Bloomberg)

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,953	R1	10,203	RSI above 50	Stochastic overbought
S2	9,875	R2	10,339		
S3	9,739	R3	10,532		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (59)
- Stochastic is overbought
- Price is above the daily pivot point USD 9,875
- Technically bullish but with a neutral bias on Friday, we maintained our view that the break in RSI support would suggest that resistance levels should hold if tested. We had seen another move lower; however, due to the size of the upside move, we were yet to confirm that this was a corrective Elliott wave 4 on the higher timeframe. The break in the USD 9,856 support did mean that the probability of the futures trading to a new high had started to decrease, suggesting this was looking like it could be a wave 4, but we still needed confirmation.
- The futures held above the USD 9,679 support with price gapping higher on the open. We are above all key moving averages with the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 9,875 with the RSI at or below 48 will mean price and momentum are aligned to the sell side. Downside moves that hold at or below USD 9,295 will support a longer-term bull argument, below this level the Elliott wave cycle will have a neutral bias.
- The upside move above USD 10,048 means the futures are back in bullish territory. The Pullback did not confirm that we had entered the higher timeframe wave 4, meaning downside moves should still be considered as countertrend. Upside moves above USD 10,208 will indicate we are seeing a wave extension within the existing bull wave, meaning we have the potential to trade as high as USD 10,339 within this phase of the cycle. However, above USD 10,208 the RSI will be divergent with price; not a sell signal it does warn that we have the potential to see a momentum slowdown, which will need to be monitored. This would suggest caution on upside breakouts, as the move could struggle to hold.

Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,578	RSI above 50	
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is above 50 (52)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,549
- Technically bullish last week, the MA on the RSI implied that momentum was weakening with price moving away from the weekly pivot level (USD 2,604). However, we noted that below USD 2,522 the futures would be in divergence with the RSI on the 1-hour timeframe, warning we could see a momentum slowdown. Our intraday Elliott wave analysis continued to suggest that downside moves looked to be countertrend, making USD 2,429 the key support to follow. If broken, then the probability of the futures trading to a new high would start to decrease.
- The futures moved higher with price remaining above the USD 2,522 low form the previous day. We are above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,549 with the RSI at or below 44 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,429 will support a bull argument, below this level the technical will have a neutral bias. Likewise, upside moves that fail at or below USD 2,631 will leave the futures vulnerable to further tests to the downside, above this level, the USD 2,688 fractal resistance could be tested.
- Technically bullish, the MA on the RSI is now turning higher, implying we are seeing early signs of momentum support. A close on the daily candle above the weekly pivot level (USD 2,608) will imply that buyside pressure is increasing, whilst a move above USD 2,631 will warn that the probability of the futures trading below the USD 2,522 fractal support will start to decrease. However, if we reject the USD 2,631 resistance, it will indicate that the corrective phase has the potential to be more complex. Key support to follow is unchanged at USD 2,429, below this level the probability of the futures trading to new highs will start to decrease. We are moving higher, but need to see more upside for the USD 2,688 – USD 2,728 resistance levels to look vulnerable.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,905	R1	2,974	RSI above 50	Stochastic overbought
S2	2,846	R2	3,008		
S3	2,835	R3	3,090		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (55)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,905
- Unchanged on the technical on Friday as the futures continued to lack a directional bias. We remained bullish with a neutral bias and maintained a cautious view on upside moves above USD 2,974, as price would be in divergence with the RSI.
- The futures have moved higher having held the EMA support band, the RSI remains above 50 with price and momentum aligned to the buyside.
- A close on the 4-hour candle below USD 2,905 with the RSI at or below 52 will mean price and momentum are aligned to the sell side.
- We remain bullish with a neutral bias due to support levels being broken last week. In theory, our Elliott wave analysis suggests that we should trade above the USD 2,974 fractal resistance. However, the pullback last week does suggest caution on moves higher. If we do trade above the USD 2,974 level, then we have a potential upside target of USD 3,008. A new high will create a negative divergence with the RSI, implying caution on upside breakouts, as it warns we could see a momentum slowdown. We are trading above the Weekly pivot level (USD 2,904), a close on the daily candle above this level will indicate that buyside pressure is increasing. Failure to close above it will warn of technical weakness. A cautious bull.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	19,081	R1	19,250	Stochastic oversold	RSI below 50
S2	18,520	R2			
S3	18,336	R3			

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 19,081
- Technically bullish but in a corrective phase yesterday. The MA on the RSI continued to warn that momentum was weak, whilst price was moving away from the weekly pivot level (USD 19,245), indicating that sell side pressure was increasing. If we traded below the USD 18,336 support, then the probability of the futures trading to a new high would start to decrease; however, our intraday Elliott wave analysis suggested that downside moves looked to be countertrend.
- The futures have sold lower again with price below the EMA support band whilst the RSI is below 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 18,758 with the RSI at or above 49.5 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 18,336 will support a bull argument, below this level the technical will have a neutral bias.
- Technically we remain bullish, the MA on the RSI continues to warn of momentum weakness. Intraday Elliott wave analysis is suggesting that downside moves look to be countertrend, making USD 18,336 the key support to follow. If broken, then the probability of the futures trading to a new high will start to decrease. The futures look like they could be in the process of rejecting the EMA support band, warning the USD 18,520 support could come under pressure in the very near-term; However, we are no cautious on downside moves as the 1-hour RSI is in divergence.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,237.5	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 (59)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,207
- Bullish with a neutral bias on Friday, the futures have created a small trend support (USD 2,179), a close below this level would warn that we have the potential for further downside; however, until we did, we had a note of caution. The MA on the RSI implied that momentum remained weak at this point with price failing to close above the weekly pivot level (USD2,197). We maintained a cautious view on upside moves.
- The futures held the trend support, resulting on a move higher. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 2,207 with the RSI at or below 61 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,196 will warn support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the futures have tested but failed to break the USD 2,245 fractal high on the open, above this level we will be in divergence with the RSI. Not a sell signal, it is a warning that we could see a momentum slow-down which will need to be monitored. The MA on the RSI is implying that momentum is supported, if we trade to a new high, then we have a potential upside target at USD 2,259 for this phase of the cycle. We maintain a cautious view on upside moves above USD 2,245, due to the divergence in play.

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