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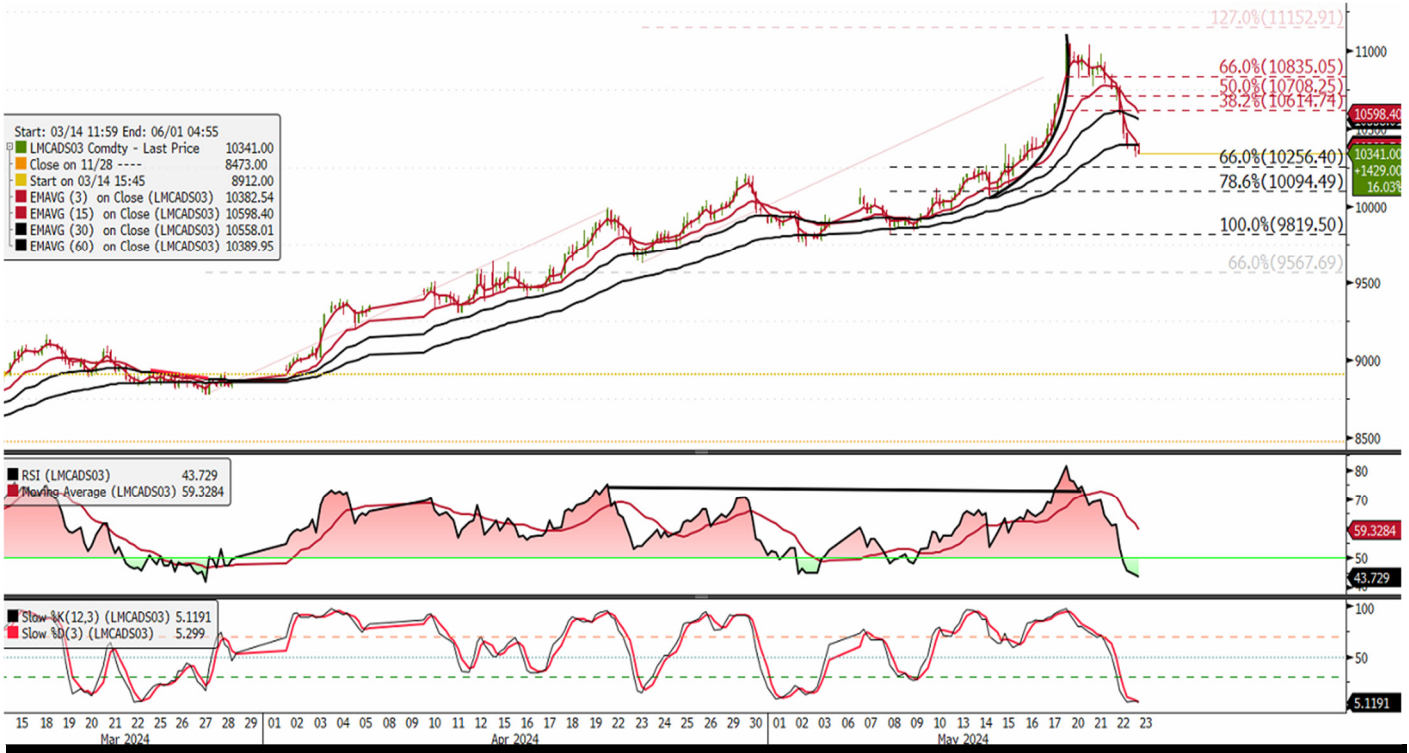
Chinese factories are balking at paying record copper prices, delaying orders for the metal and cutting production as their customers recoil from more expensive products.

The metal's rapid ascent to an all-time high above \$11,000 a ton on the London Metal Exchange this week is causing ructions in the domestic supply chain, from the smelters that refine copper ore, to the producers of goods from solar panels to home electronics.

Linking the two are the fabricators that shape refined metal into rods, pipes, wire and foil. Henan Yuxing Copper Co., a smaller firm in central China that makes copper pipes for use in items like air-conditioners, is one of the firms struggling to pass on higher costs to its customers.

"Our sales orders have fallen about 20% to 30% in May, the traditional peak season, from the previous month — something we have never seen in so many years," said Hai Jianxun, a sales executive at the company. (Bloomberg)

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	10,256	R1	10,465	Stochastic oversold	RSI below 50
S2	10,094	R2	10,536		
S3	9,819	R3	10,614		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- The RSI below 50 (43)
- Stochastic is oversold
- Price is below the daily pivot point USD 10,536
- Technically bullish yesterday, the MA on the RSI warned that momentum was starting to weaken. As previously noted, a close on the 4-hour candle below USD 10,723 would imply that sell side pressure was increasing, meaning the Fibonacci support zone could be tested. A close on the daily candle below USD 10,465 would further weaken the near-term technical, indicating the USD 10,256 support could be tested; if broken, then the probability of the futures trading to a new high within this phase of the cycle would start to decrease. A low volume day yesterday suggested market buyers are pulling back, rather than an increase in selling intensity. We maintained our view based on intraday Elliott wave analysis that downside moves looked like they could be countertrend.
- An increase in selling pressure did create a volume rise yesterday with the futures closing below the USD 10,723 level, resulting in price closing below the weekly pivot level (USD 10,465). We are 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 10,536 with the RSI at or above 60 will mean price and momentum are aligned to the buy side. Downside moves that hold at or below USD 10,256 will support a near-term bull argument, below this level the technical will have a neutral bias (based on price). However, the longer-term Elliott wave support is at USD 9,567, the cycle is bullish above this level and neutral below. Upside moves that fail at or below USD 10,835 will leave the futures vulnerable to further tests to the downside.
- Technically bullish but in a corrective phase, the MA on the RSI is warning that momentum is weak, whilst the close below the weekly pivot implies that sell side pressure is increasing. However, there has been little follow through in the Asian day session with candle sizes decreasing, implying a lack of sell side intensity so far this morning. If we do trade below the USD 10,256 support, then the probability of the futures trading to a new high within this phase of the cycle will start to decrease. Likewise, if we start to close above USD 10,422 it will warn that we could see the weekly and daily pivot points be tested.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,595	R1	2,664	RSI below 50	Stochastic oversold
S2	2,563	R2	2,670		
S3	2,508	R3	2,683		

Source Bloomberg

Synopsis - Intraday

- Price is between the EMA Support band (Black EMA's)
- RSI is below 50 (48)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,670
- Technically bullish yesterday, the MA on the RSI continued to warn that momentum was supported. Near-term divergences had failed; however, the new high meant we remained in divergence with the RSI dating back to late March. The upside moves yesterday confirmed that we are on the Elliott wave 5 for this phase of the cycle, we now had a potential upside target as high as USD 2,888. For clarity, our analysis would suggest that we are on a wave 5 of a higher timeframe wave 3. We maintain our view that downside moves looked to be countertrend in the near-term.
- The futures have seen a strong move lower putting price back to the level that we were trading before Rio Tinto called the force majeure. Price is between the EMA support band with the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,670 with the RSI at or above 62.5 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 2,596 will support a bull argument, below this level the technical will have a neutral bias. Likewise, upside moves that fail at or below USD 2,709 will leave the futures vulnerable to further tests to the downside.
- Technically we remain bullish, the MA on the RSI is indicating that momentum is weak at this point. We have seen a mean reversion back to the EMA support band but are holding above key support. Momentum is warning that the USD 2,595 level is vulnerable at this point, if broken, then the probability of the futures trading to a new high will start to decrease. Intraday Elliott wave analysis had suggested that downside moves look to be countertrend, if we close on the 4-hour candle above USD 2,644 it will warn the Futures could test the and break the daily pivot level. This technical is at a key support, for the Elliott wave cycle to stay in bullish territory, we need to hold the USD 2,595 level.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,021	R1	3,036.5	Stochastic oversold	
S2	3,001	R2			
S3	2,971	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA support band (Black EMA's)
- RSI is at (50)
- Stochastic is oversold
- Price is below the daily pivot point USD 3,085
- Technically bullish but in a corrective phase yesterday, the RSI was below its average, but the MA continues to warn that momentum was supported at this point. The longer-term divergence remained in play, warning we were vulnerable to a momentum slowdown; however, the near-term divergence failure implying that downside moves looked like they could be countertrend in the near-term, making USD 2,903 the key support to follow. If broken, then the probability of the futures trading to a new high within this phase of the cycle would start to decrease, implying the lower timeframe wave cycle could fail. The corrective move lower into the close last night meant that we were seeing a close below the low of the high candle, warning momentum based on price was starting to weaken.
- The futures did sell lower on the bearish candle signal yesterday, resulting in price trading into the EMA support band. The RSI is neutral at 50 with price and momentum aligned to the sell side.
- A close on the 4-hour candle above USD 3,085 with the RSI at or above 62.5 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 2,903 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish but in a corrective phase, the MA on the RSI is warning that momentum is weak; however, the RSI is neutral at 50 with the stochastic oversold. If the RSI can hold above 50, then we will be vulnerable to a move higher, momentum is currently conflicting because of this. Based on the near-term divergence failing yesterday, there is still a chance that we could trade back to new highs. However, be aware that there is still a longer-term divergence in play. If we do trade below USD 2,903 it will suggest that the lower timeframe wave cycle could fail.

Nickel Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	20,090	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA support band (Black EMA's)
- RSI is below 50 (45)
- Stochastic is overbought
- Price is below the daily pivot point USD 20,640
- Technically bullish yesterday, the MA on the RSI warned that momentum was weak. However, our intraday Elliott wave analysis continued to suggest that downside moves looked to be countertrend, making USD 19,618 the key support to follow. If broken, then the probability of the futures trading to a new high would start to decrease. Based on lower timeframe Elliott wave analysis, we could see a wave extension here, meaning we could move higher before confirming the higher timeframe wave 4.
- The futures have sold lower on the back of the weak momentum indicators without making a new high, meaning we have not seen a wave extension. We are trading between the EMA support band with the RSI below 50, intraday price and momentum are aligned to the sell side. The move lower has resulted in the futures closing below the weekly pivot support.
- A close above on the 4-hour candle USD 20,640 with the RSI at or above 61.5 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 19,618 will support a bull argument, below this level the technical will have a neutral bias. Likewise, upside moves that fail at or below USD 21,173 will leave the futures vulnerable to further tests to the downside.
- Technically bullish, the MA on the RSI continues to warn that momentum is weak at this point, meaning the USD 19,618 support is vulnerable. If broken, then the probability of the futures trading to a new high will start to decrease. If the 4-hour candle closes above USD 20,249, it will warn that buyside pressure is starting to increase, meaning we could test the daily pivot at USD 20,640. Intraday Elliott wave analysis does suggest that moves lower look to be countertrend.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,269	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (43)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,326
- Technically bullish yesterday, the MA on the RSI was flat, implying momentum was neutral. The upside move previously had created a negative divergence with the RSI; not a sell signal, it warned that we could see a momentum slowdown which needed to be monitored. However, as noted on Tuesday, corrective moves lower continued to look like they could be countertrend in the near-term. A cautious bull at these levels, as the technical is suggesting we need to see a pullback, before looking for another move higher.
- The futures have seen a move lower with price now trading in the Fibonacci support zone. We are below the EMA support zone with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,326 with the RSI at to above 62 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 2,233 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish but in a corrective phase, the MA on the RSI is warning of momentum weakness. the longer-term technical remains in divergence; however, we maintain our view that downside moves look to be countertrend in the near-term, due to the RSI break previously. If we do trade below the USD 22,33 support, then the probability of the futures trading to a new high will start to decrease.