

China

Chinese developers are facing headwinds offloading new home inventory, despite a rebound in second-hand transactions in mega cities.

In Shenzhen, new home sales fell 4% in June compared with last year, even after the government relaxed measures to stimulate the market. Midland Realty said developer inventory remains high, adding to the polarizing results between new and existing apartment sales. In the capital of Beijing, new property sales underperformed existing ones in June, said Centaline Group analyst Zhang Dawei.

Buyers remain cautious toward new apartments in China's so-called first-tier cities, as the units are often offered at relative higher prices or located in suburban districts. That's causing a divergence in recovery, underscoring the challenges for cash-strapped developers, many of which are counting on a sales revival to relieve their liquidity pressure. (Bloomberg).

Cu

Copper held steady after rising for two days as investors weighed possible stimulus in China and interest-rate cuts in the US.

The metal has ticked up from a two-month low on hopes of some boost to growth from China's Third Plenum policy meeting later this month, the Chaos Ternary Research Institute said in a note. Meanwhile, rising chances of another Donald Trump presidency in America may have lifted expectations for rate cuts.

Copper's moves also follow a jump in withdrawals from London Metal Exchange warehouses in Gwangyang, South Korea.

The metal traded little changed at \$9,623.50 a ton on the LME as of 9:22 a.m. in London. Most other metals gained.

Copper prices have retreated from a record near \$11,100 in May on expanding global inventories and weak Chinese demand. (Bloomberg)

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,618	R1	9,639		
S2	9,600	R2	9,751		RSI below 50
S3	9,486	R3	9,889		

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- The RSI below 50 (49)
- Stochastic is overbought
- Price is above the daily pivot point USD 9,618
- Unchanged on the technical yesterday. The futures remained in a bearish trending environment with price rejecting the EMA resistance band. However, the MA on the RSI indicated that momentum was still supported, whilst the recent intraday upside move was on the back of a positive divergence with the RSI. A move below USD 9,485 would create further negative divergences with the RSI, for this reason, we remained cautious on downside breakouts.
- The futures have seen a small move higher on the back of the momentum support, price is between the EMA resistance band with the RSI near-neutral at 49, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 9,618 with the RSI at or below 45 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 9,751 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- We remain in bearish territory with the MA on the RSI implying that momentum remains supported. The EMA band is now starting to flatten, warning that we could potentially be about to exit a bearish trending environment. We have seen a daily close above the weekly pivot level (USD 9,600), implying buyside pressure is increasing. We remain cautious on downside moves, as the USD 9,751 resistance is starting to look vulnerable, a close on the daily candle above the high of the last dominant bull candle (USD 9,722), would suggest the key resistance could be broken. If it is, then the probability of the futures trading at a new low will start to decrease.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,514	R1	2,523	RSI above 50	
S2	2,470	R2			
S3	2,451	R3			

Source Bloomberg

Synopsis - Intraday

- Price is between the EMA Resistance band (Black EMA's)
- RSI is above 50 (52)
- Stochastic is above 50
- Price is below the daily pivot point USD 2,524
- We remained bearish yesterday, the MA on the RSI indicated that momentum remained supported having moved higher on the positive divergence on Friday. A move above USD 2,549 would mean that the probability of the futures trading to a new low would start to decrease; likewise, if rejected, then support levels would remain vulnerable. Due to the divergence in play, we remained cautious on downside breakouts below USD 2,470 as the divergence would suggest that we could struggle to hold.
- The futures traded to a high of USD 2,547.5 before selling lower into the close. Price is between the EMA resistance band with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,524 with the RSI at or above 54 will mean price and momentum are aligned to the buyside. Likewise, a close below this level with the RSI at or below 49.5 will mean it is aligned to the sell side. Upside moves that fail at or below USD 2,549 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- A mixed technical today, we remain bearish with the MA on the RSI implying momentum is supported. The EMA band is flat, meaning we are no longer in a trending environment; however, the upside move did reject our USD 2,549 resistance yesterday, warning price action is weak. Countering this, the futures have closed on the daily candle y above the weekly pivot level (USD 2,514). The close above the weekly pivot has been marginal but does warn that buyside pressure is starting to increase. We are bearish, but we have a neutral view as the futures are not considered a technical sell, but are yet to convince that they are ready for a move higher.

Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,938	RSI above 50	
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (55)
- Stochastic is below 50
- Price is above the daily pivot point USD 2,933
- Technically bullish based on price yesterday; as noted last week, the failure to trade to a new low warned that there could be a larger, bearish Elliott wave cycle in play, making USD 3,032 the key resistance to follow. If broken, then the probability of this upside move being a countertrend wave B would start to decrease. The MA on the RSI warned that momentum was starting to weaken; however, price is finding support on the weekly pivot level, if we held, then resistance would remain vulnerable. Likewise, a close on the daily candle below the USD 2,921 level, would warn that sell side pressure is increasing.
- Having opened with bid support, the futures entered a corrective phase but closed above the weekly pivot level. We are above the EMA support band with the RSI above 50, intraday price and momentum are now conflicting.
- A close on the 4-hour candle above USD 2,933 with the RSI at or above 61 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. Upside moves that fail at or below USD 3,032 will warn that there could be a larger, bearish Elliott wave cycle in play. Likewise, downside moves that hold at or above USD 2,824 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI is implying that momentum is weakening with the MA acting as a resistance to the RSI yesterday. However, the futures have held the weekly pivot level (USD 2,921), indicating that there is an underlying support in the market, meaning we are seeing some conflicting signals. Price is holding EMA support, but momentum is weakening, implying upside moves could struggle to hold. As noted previously, USD 3,032 is the key resistance to follow.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	17,370	R1	17,395		RSI below 50
S2	17,190	R2			
S3	16,965	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is above 50 (51)
- Stochastic is overbought
- Price is above the daily pivot point USD 17,370
- Technically bearish yesterday, the futures looked to have entered the countertrend wave 4. The MA on the RSI implied that momentum was supported with upside moves continuing to look like they were countertrend. We noted that a close on the daily candle below USD 17,190 (weekly pivot level) would warn that the USD 16,965 fractal low could be tested and broken. At this point, the futures would confirm that they were in a lower timeframe Elliott wave 5 of C; however, we would be in divergence with the RSI. Not a buy signal, it would that we had the potential to see a momentum slowdown, suggesting caution on downside breakouts.
- The futures traded to a high of USD 17,500 before seeing a small pullback having rejected the 60-period EMA. We are now between the EMA resistance band with the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 17,370 with the RSI at or below 48 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 19,420 will leave the futures vulnerable to further tests to the downside.
- Technically bearish, the MA on the RSI continues to suggest that momentum is supported. However, the 1-hour RSI is now in divergence with price, not a sell signal it warns that buy side momentum could slow down. If price and momentum become aligned to the sell side, and the daily candle closes below the USD 17,190 level (weekly pivot), it will warn that the USD 16,965 fractal low will likely be tested and broken. Intraday Elliott wave analysis would suggest that we have a potential downside target at USD 15,140 (based off the USD 17,500 high). However, a new low will create a positive divergence with the RSI, meaning we maintain a cautious view on downside breakouts. We maintain our view that upside moves look like they could be countertrend at this point.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,221.5	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 (56)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,220
- Unchanged again yesterday, we remained bearish with the MA on the RSI implying momentum was supported. As previously noted, we maintained a neutral view, as the futures were vulnerable to a move lower based on intraday Elliott wave analysis. However, the recent upside move is longer in time and higher in price, warning momentum is turning to the buyside.
- The futures are USD 2.5 higher, we remain 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 2,220 with the RSI at or below 53.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,242 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. The USD 2,242 resistance is back in play due to the move below the USD 2,167 support.
- Unchanged again, see first paragraph.

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