

China

The People's Bank of China acted to take more control of market interest rates, announcing additional open market operations and tightening the band within which short-term rates can fluctuate.

The central bank will conduct bond repurchase or reverse repurchase operations in the afternoon as needed, in addition to its traditional morning operations, according to a statement on Monday. The price will be based on the seven-day reverse repurchase rate, strengthening it as a benchmark policy rate. (Bloomberg).

Cu

Copper traded near the highest level in almost four weeks on optimism that demand is set to improve in China and the US.

The industrial metal, often viewed as a barometer of global economic health, rose 3.6% on the London Metal Exchange last week, the first weekly gain in seven.

In China, a key measure of copper demand, the Yangshan premium, became positive for the first time in two months. And in the US, there are signs the Federal Reserve is getting closer to its much-anticipated pivot.

Copper fell 0.1% to \$9,934 a ton on the LME as of 11:44 a.m. in Shanghai, but remained near the high of \$10,000 reached on Friday. Prices are still up around 16% this year, despite a sharp pullback since mid-May.

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,833	R1	9,944	RSI above 50	Stochastic overbought
S2	9,820	R2	9,979		
S3	9,765	R3	10,023		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (62)
- Stochastic is overbought
- Price is below the daily pivot point USD 9,944
- Technically bullish on Friday, the MA on the RSI is indicating that momentum remains supported. However, the RSI was testing resistance whilst in divergence on the lower timeframes, suggesting caution on upside breakouts, as they could struggle to hold in the near-term. Our intraday Elliott wave analysis continued to imply that downside moves should be considered as countertrend.
- The futures traded to a high of USD 10,000 before finding resistance at the 200-period MA (USD 10,004), meaning the futures are only around USD 10.00 higher than on Friday morning. We have seen a small move lower in the Asian day session, but price remains above 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 9,944 with the RSI at or above 64.5 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 9,689 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the RSI has moved above its resistance level; however, the lower timeframe RSI (1-hour) remains in divergence. Not a sell signal, it is a warning that we could see a momentum slowdown, implying caution on upside moves at this point. Intraday Elliott wave analysis continues to suggest that downside moves should be considered as countertrend, making USD 9,689 the key support to follow. If broken, then the probability of the futures trading to a new high will start to decrease. A cautious bull at these levels, as there looks to be further downside within this corrective phase.

Aluminium Morning Technical (4-hour)



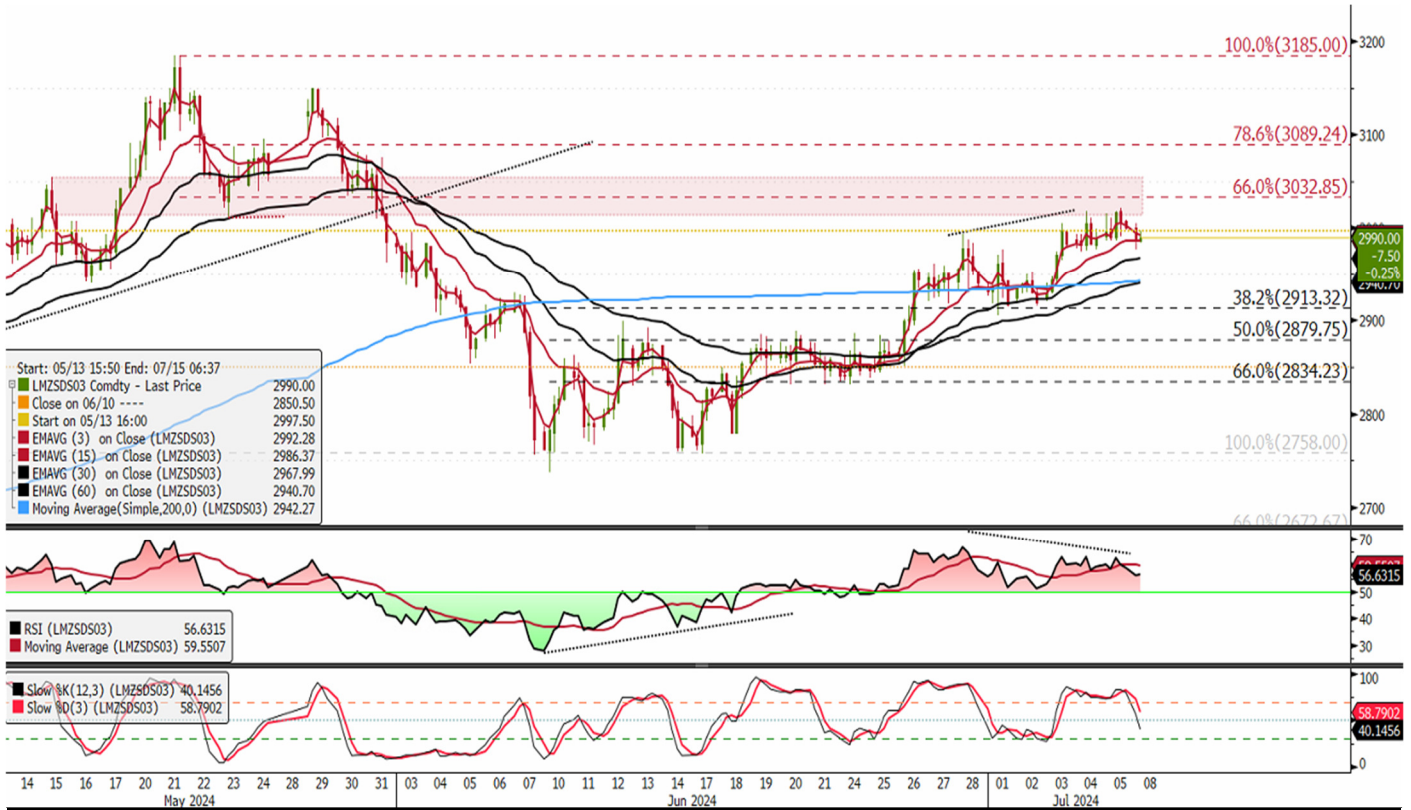
	Support	Resistance	Current Price	Bull	Bear
S1	2,501	R1	2,534.5	RSI above 50	
S2	2,470	R2			
S3	2,451	R3			

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (52)
- Stochastic is below 50
- Price is below the daily pivot point USD 2,539
- Technically bearish but in a corrective phase last week, the MA on the RSI was flat, implying momentum was neutral. The upside move above USD 2,549 meant that the probability of the futures trading to a new low had started to decrease, making USD 2,501 the key support to follow. If broken then the technical will be back in bearish territory, warning that support levels could come under pressure. It was not the cleanest of Elliott wave cycles on this correction; however, we noted that it did look like it may have potentially completed.
- The futures have seen another small test to the upside fail to hold; however, we remain above 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 2,539 with the RSI at or above 56 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 2,501 will support a near-term bull argument, below this level the technical will be back in bearish territory.
- Technically unchanged, we remain bearish, the MA on the RSI is indicating that momentum has started to soften a little, making USD 2,501 the key support to follow, if broken, then the futures will be back in bearish territory. As noted previously, the lower timeframe Elliott wave cycle is not clear; however, it does suggest that the downside cycle has potentially completed, implying caution on corrective moves lower at this point.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,975	R1	2,990	RSI above 50	
S2	2,913	R2			
S3	2,879	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (56)
- Stochastic is above 50
- Price is below the daily pivot point USD 3,002
- Technically bullish on Friday, the MA on the RSI indicated that we had light momentum support; however, the futures remained in divergence with the RSI, suggesting caution in upside moves at these levels. If we did trade above the USD 3,032 level, then the probability of the future trading to a new low would start to decrease, whilst corrective moves below USD 2,832 would leave the USD 2,737.5 fractal low vulnerable. Due to the divergence in play, the intraday technical warned that we could see a momentum slowdown, meaning it was not considered a technical buy at these levels.
- The futures traded to a high of USD 3,022 before entering a small corrective phase. We remain above 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 3,002 with the RSI at or above 61.5 will mean price and momentum are aligned to the buyside. 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 2,832 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI is starting to flatten whilst we have a negative divergence in play. Not a sell signal it is warning that buyside momentum could slow down, implying caution on upside moves at these levels. If we do trade above the USD 3,032 resistance, then the probability of the futures trading to a new low will start to decrease. We maintain a cautious view on upside moves at these levels whilst the divergence is in play.

Nickel Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	17,430	RSI above 50	
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (53)
- Stochastic is above 50
- Price is above the daily pivot point USD 17,340
- Unchanged on the technical on Friday, we were seeing a small move higher; however, the MA on the RSI was flat, meaning momentum remained neutral. Our intraday Elliott wave analysis continued to suggest that upside moves look like they will be countertrend.
- The futures continue to move sideways with price just above the EMA resistance band. The RSI is above 50 with intraday price and momentum aligned to the buyside.
- A close on the 4-hour candle below USD 17,340 with the RSI at or below 48.5 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.
- Unchanged again, the technical is bearish with intraday Elliott wave analysis suggesting upside moves should be considered as countertrend at this point.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,227.5	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 (53)
- Stochastic is overbought
- Price is below the daily pivot point USD 2,239
- Technically bearish last week, the MA on the RSI was flat, implying momentum is neutral. As noted previously, upside moves above USD 2,238.5 would create a negative divergence; however, was now only on a lower timeframe. Not a sell signal, it warned that we could see a momentum slowdown, suggesting caution on upside breakouts. If we did trade above the USD 2,242 resistance, then the probability of the futures trading to a new low would start to decrease.
- The futures have traded to a new high with price breaching the USD 2,242 resistance; however, the upside move failed to hold due to the lower timeframe divergence. We are above the EMA support band with the RSI above 50, but intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,239 with the RSI at or above 58 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 2,189 will support a near-term bull argument, below this level the USD 2,156.5 fractal support will start to look vulnerable.
- Technically bearish with a neutral bias, the probability of the futures trading to a new low has started to decrease. The MA on the RSI is flat, implying momentum is neutral, whilst price is moving lower on the back of the negative divergence with the RSI, making USD 2,189 the key support to follow. This technical continues to conflict, the move above USD 2,242 warns that buyside pressure is increasing; however, we are moving lower on the divergence whilst price and momentum are aligned to the sell side. Neutral.

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