

## China

China increased support for the economy with surprise interest-rate cuts, seeking to prop up growth after a lack of short-term stimulus from a major Communist Party meeting disappointed investors.

The People's Bank of China on Monday cut the seven-day reverse repo rate, a key short-term policy rate, in the first reduction in almost a year. Chinese banks followed the move about an hour later by lowering their main benchmark lending rates, making it less costly to borrow for mortgages and other loans.

While modest, the concerted moves underlined authorities' urgency to bolster an economy growing at the slowest pace in more than a year. They come just a day after the party published a sweeping document upholding President Xi Jinping's plan to put technology at the center of China's economic future while tolerating slower growth in the near term.

"It's a good sign that the government is trying to support the economy, though the fundamental impact is likely to be limited," said Vey-Sern Ling, a managing director at Union Bancaire Privee.

(Bloomberg).

## Cu

China's refined copper exports surged to a record last month as weak demand in the world's biggest metals buyer prompted smelters to turn to overseas markets.

Shipments more than doubled to 157,751 tons in June from May, well above the previous all-time high of 102,000 tons in 2012, according to customs data released on Sunday. The figures follow data last week that showed a jump in unwrought copper and copper products exports.

Asia's largest economy grew at the slowest pace in five quarters in the three months through June, and the sluggish growth is flowing through to global copper prices, which have dropped by around 14% since mid-May. The People's Bank of China cut a key short-term policy rate for the first time in almost a year on Monday, in a bid to revive activity. (Bloomberg).

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,225	R1	9,331	RSI below 50	Stochastic oversold
S2	9,156	R2	9,519		
S3	9,113	R3	9,595		

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- The RSI below 50 (28)
- Stochastic is oversold
- Price is below the daily pivot point USD 9,331
- Technically bearish last week, the divergence failure previously indicated that we were looking at an Elliott wave extension to downside. The MA on the RSI implied that momentum was weak; however, the RSI was crossing back above the 30-level warning the RSI resistance could be tested. Due to the divergence failure, upside moves looked like they could be countertrend.
- The upside move failed to hold with price selling to new lows into the close. We are below all key moving averages with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 9,331 with the RSI at or above 34.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 9,699 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Unchanged on the technical today, we remain bearish with the futures in divergence on a lower timeframe. Not a buy signal, it is a warning that we have the potential to see a momentum slowdown, which will need to be monitored. However, our intraday Elliott wave analysis continues to suggest that upside moves should be considered as countertrend at this point. A cautious bear at these levels, as the divergence is warning that we could see an intraday move higher in the near-term.

# Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,312	R1	2,340	Stochastic oversold	RSI below 50
S2	2,290	R2			
S3	2,236	R3			

Source Bloomberg

## Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (25)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,361
- Technically bearish on Friday, the upside move on the open previously had not been deep enough to be the pullback that we were looking for. Due to the divergence in play, we remained cautious on downside moves at these levels; however, our intraday Elliott wave analysis continued to suggest that intraday upside moves should be considered as countertrend.
- The futures continue to sell lower with price below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,361 with the RSI at or above 33 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,437 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the MA on the RSI is indicating that momentum remains weak with price in divergence with the RSI, not a buy signal it is a warning that we could see a momentum slowdown. Intraday Elliott wave analysis continues to suggest that upside moves look like they should be considered as countertrend at this point, meaning we have a note of caution due to the divergence in play.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,737	R1	2,788	Stochastic oversold	RSI below 50
S2	2,672	R2			
S3	2,574	R3			

**Synopsis - Intraday**

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (33)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,786
- Technically bearish last week, the MA on the RSI indicated that momentum remained weak, we noted that the 1-hour divergence had failed when price made a new low. However, the low candle was a Doji whilst the opening intraday candle on Friday had downside rejection, implying we were seeing signs of support in the market, suggesting caution on moves lower at those levels. Our intraday Elliott wave analysis continued to suggest that upside moves should be considered as countertrend, making USD 2,910 the key resistance to follow. If broken, then the probability of the futures trading to a new low would start to decrease.
- We traded below the low of the rejection candle resulting in the futures trading down to USD 2,768.5; however, we have opened with light bid support this morning. We are below all key moving averages with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,786 with the RSI at or above 35.5 will mean price and momentum are aligned to the buy side. Likewise, a close below this level with the RSI at or below 31 will mean it is aligned to the sell side. Upside moves that fail at or below USD 2,902 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the futures have seen a small move higher on the open due to a lower timeframe positive divergence, warning sell side momentum has the potential to slowdown. However, intraday Elliott wave analysis is suggesting that upside moves look like they will be countertrend, making USD 2,902 the key resistance to follow. A move above this level will warn that the probability of the futures trading to a new low has started to decrease. We maintain a cautious view on downside moves at these levels due to the divergence in play.

# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	16,154	R1	16,215	Stochastic oversold	RSI below 50
S2	15,707	R2			
S3	15,260	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (31)
- Stochastic is oversold
- Price is below the daily pivot point USD 16,306
- Technically bearish on Friday with intraday Elliott wave analysis continuing to suggest that we could trade as low as USD 15,260 within this phase of the cycle. The futures remained in divergence with the RSI, not a buy signal it warned that we could see a momentum slowdown which would need to be monitored. We remained cautious on downside moves due to the divergence in play, from a technical perspective the futures were not considered a sell at these levels.
- We have seen another small move lower, meaning price remains below all key moving averages with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 16,306 with the RSI at or above 35.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 17,125 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the longer-term technical remains in divergence with the RSI, whilst below USD 16,200 the 1-hour RSI will also be in divergence, warning we could see a momentum slowdown, implying caution on downside moves at these levels. Our Elliott wave analysis continues to suggest we have the potential to trade as low as USD 15,260, whilst a lower timeframe wave cycle is warning that intraday upside moves now have the potential to be countertrend in the near-term.

# Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear		
S1	2,077	R1	2,133	2,105	Stochastic oversold	RSI below 50
S2	2,028	R2	2,148			
S3	1,966	R3	2,182			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (32)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,133
- Technically bearish on the last report, we noted that the upside move had failed to hold previously having rejected the USD 2,228 resistance, implying that there was a larger, bearish Elliott wave cycle in play. Momentum oscillators had made new lows alongside price, suggesting upside moves should be considered as countertrend.
- The futures continue to sell lower with price remaining below all key moving averages, the RSI is below 50, whilst intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,133 with the RSI at or above 41.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,182 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Unchanged on the technical today. The MA on the RSI is implying that momentum is weak, whilst intraday Elliott wave analysis is suggesting that upside moves should be considered as countertrend, making USD 2,182 the key resistance to follow. A move above this level will warn that the probability of the futures trading to a new low has started to decrease.

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