

## China

China's annual growth target looks increasingly out of reach to economists, with UBS Group AG adding to a string of recent forecast cuts as consumer spending slows and President Xi Jinping's government avoids major stimulus.

With economic momentum held back by a real estate downturn and tight fiscal policy, the Swiss bank now expects China's gross domestic product to expand 4.6% this year — compared with an earlier forecast of 4.9%. For 2025, UBS sees growth at 4%, down from 4.6% previously.

The downgrade, coming after weak earnings reports from several top Chinese consumer companies this month, reflects an emerging consensus among the world's biggest banks that the country might not meet its growth aim of around 5% in 2024. By contrast, the Politburo — comprising the ruling Communist Party's top 24 officials — has remained committed to achieving this year's "economic and social development targets" that include the GDP goal. (Bloomberg).

## Al

Aluminum extended its retreat from a two-month high as concerns over the strength of China's demand recovery lingered, with supplies remaining sufficient. Other industrial metals also declined.

Since Tuesday's close, aluminum has retreated almost 4%, paring a strong monthly gain. The discount of its spot price to the three-month contract on the London Metal Exchange widened to \$29 a ton, a sign that immediate global supplies are ample.

"Aluminum supply remains elevated, while downstream demand recovery in China is limited," Guangzhou Futures Co. said in a note, predicting the metal will edge lower.

Metal prices were also impacted on Thursday by weakening risk appetite in broader financial market, with stocks slipping on underwhelming earnings from tech companies.

Aluminum fell 1.5% to \$2,458 a ton on the LME as of 10:07 a.m. in Shanghai, trimming this month's gain to 7.3% — still the highest among industrial metals. Tin also declined 1.5%, while copper was down 0.4%. (Bloomberg)

# Copper Morning Technical (4-hour)



|    | Support | Resistance | Current Price | Bull         | Bear |
|----|---------|------------|---------------|--------------|------|
| S1 | 9,233   | R1         | 9,261.5       | RSI above 50 |      |
| S2 | 9,191   | R2         |               |              |      |
| S3 | 9,120   | R3         |               |              |      |

## Synopsis - Intraday

Source Bloomberg

- Price is between the EMA support band (Black EMA's)
- The RSI above 50 (52)
- Stochastic is oversold
- Price is below the daily pivot point USD 9,296
- Technically bullish yesterday, the upside move previously resulted in the RSI breaking resistance, warning that the corrective move lower had the potential to be countertrend, making USD 9,233 the key support to follow. If broken, then the probability of the futures trading to a new high would start to decrease. As noted in Tuesday's close report, the intraday futures had looked overextended in the near-term, resulting in a technical pullback overnight. We were approaching the 200-period MA (USD 9,317), we noted that this was a benchmark average, if we closed below and held below it, then the USD 9,233 support could be tested and broken; likewise, if the average held, then we could have one final test to the upside within this phase of the lower timeframe Elliott wave cycle. The intraday technical was unclear, we could have another move higher, but we were at an inflection point. If we closed on the daily candle below yesterday's low (USD 9,291), then market bulls will need to be cautious, as it will warn that buyside sentiment could be weakening.
- The futures sold lower, closed below the 200-period MA and breached the USD 9,233 support, meaning the probability of the futures trading to a new high has started to decrease. We are trading between 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 9,296 with the RSI at or above 61 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 9,368 will leave the futures vulnerable to further tests to the downside, above this level the technical will be back in bullish territory.
- Technically bullish with a neutral bias, the MA on the RSI is indicating that we have light momentum weakness. The move below USD 9,233 is implying that we are also seeing momentum weakness based on price, warning upside moves could struggle to hold, making USD 9,368 the key resistance to follow. Upside moves that fail to trade above USD 9,233 will warn that support levels could be tested and broken. The close below USD 9,291 on the daily chart is implying that sell side pressure is increasing.

# Aluminium Morning Technical (4-hour)



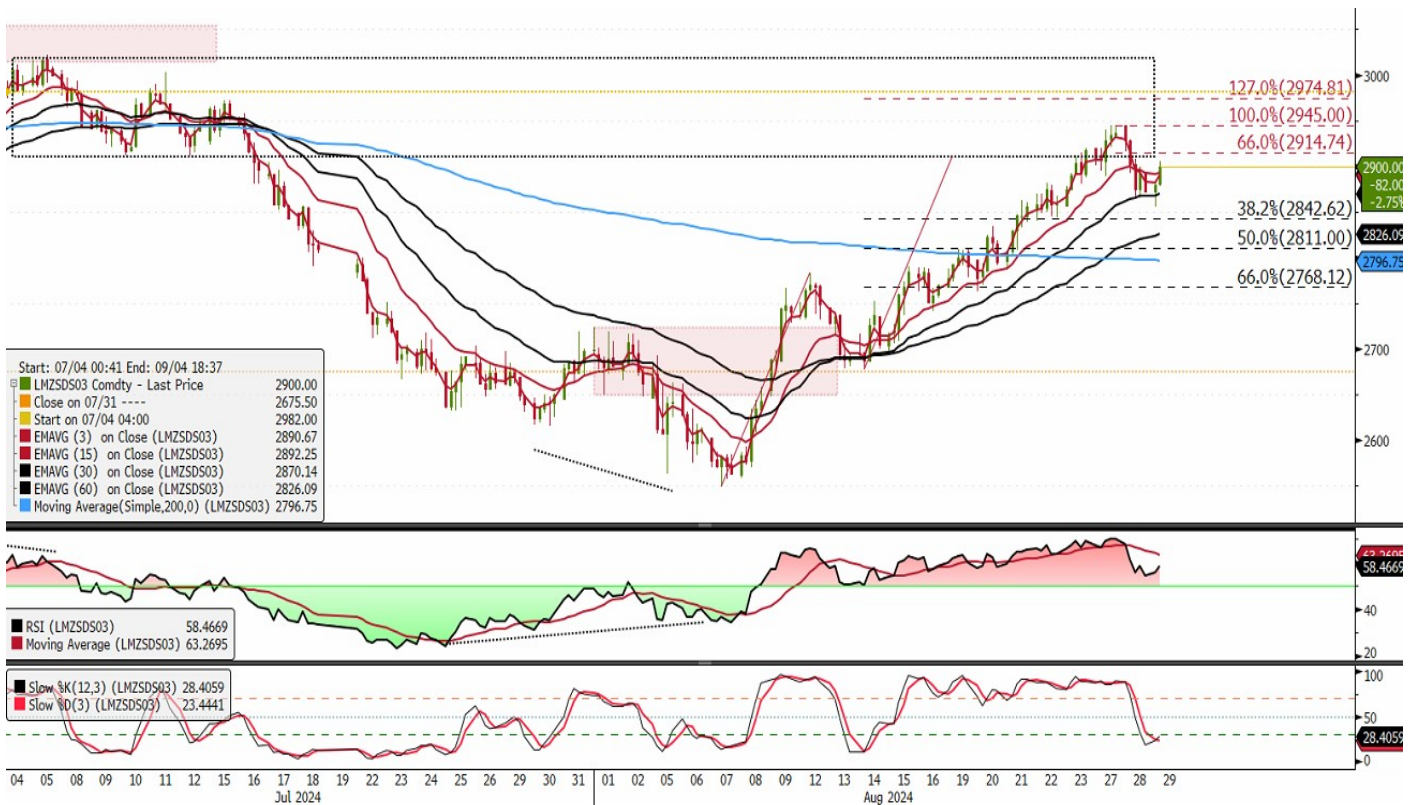
| Support | Resistance | Current Price | Bull         | Bear |
|---------|------------|---------------|--------------|------|
| S1      | R1         | 2,472.5       | RSI above 50 |      |
| S2      | R2         |               |              |      |
| S3      | R3         |               |              |      |

Source Bloomberg

## Synopsis - Intraday

- Price is between the EMA resistance band (Black EMA's)
- RSI is above 50 (51)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,505
- Bearish with a neutral bias yesterday, the upside move was struggling to hold due to the negative divergence in play. We maintained a cautious view on upside moves at these levels, as the technical suggested that they could struggle to hold; however, we maintain our view that downside moves look like they could be countertrend based on a lower timeframe Elliott wave cycle. We noted that in theory we needed to trade lower within this corrective phase, as the pullback was not yet deep enough to be the corrective move lower that we are looking for (based on lower timeframe oscillators). This means that any upside move above USD 2,254, would be a wave extension within the existing cycle, implying caution.
- The futures have continued to sell lower, confirming that we are now in the corrective phase that we were looking for. Price is between 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 2,505 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 2,338 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish but in a corrective phase. Momentum is conflicting as the MA on the RSI is indicating that it is weak at this point this point; this is countered by the RSI which is above 50 whilst the stochastic is oversold, implying we could move higher. Technically we have confirmed that we have entered a corrective wave-4 lower; however, this should in theory contain 3 waves (A-down, B-up, C-down). At this point, we still look to be on the Wave A lower.

# Zinc Morning Technical (4-hour)



| Support | Resistance | Current Price | Bull         | Bear                  |
|---------|------------|---------------|--------------|-----------------------|
| S1      | R1         | 2,900         | RSI above 50 | Stochastic overbought |
| S2      | R2         |               |              |                       |
| S3      | R3         |               |              |                       |

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (58)
- Stochastic is oversold
- Price is above the daily pivot point USD 2,894
- Technically bullish yesterday, the futures were rejecting the resistance zone highlighted. We remained cautious on upside moves at those levels with key support at USD 2,768, below this level the probability of the futures trading to a new high will start to decrease. If support held, it would warn that there was potentially a larger, bullish, Elliott wave cycle in play.
- The futures traded to a low of USD 2,856 before finding bid support in the Asian day session. We are above the EMA support band with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,894 with the RSI at or above 65.5 will mean price and momentum are aligned to the buy side; likewise, a close below this level will mean that it is aligned to the sell side. Downside moves that hold at or above USD 2,768 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the futures are moving higher off the EMA support band, making USD 2,914 the key resistance to follow. A rejection of this level will warn that we should see further downside within this corrective move; if broken, the USD 2,945 fractal high could be tested and broken. However, a new high will create a negative divergence with the RSI, warning we could see a momentum slowdown. For this reason, we maintain a cautious view on upside moves at this point.

# Nickel Morning Technical (4-hour)



|    | Support | Resistance | Current Price | Bull         | Bear |
|----|---------|------------|---------------|--------------|------|
| S1 | 16,973  | R1         | 17,005        | RSI above 50 |      |
| S2 | 16,914  | R2         |               |              |      |
| S3 | 16,732  | 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 16,973
- We remained bearish with a neutral bias yesterday; the MA on the RSI implied that momentum remained supported. However, price was moving lower on a negative divergence with the RSI, warning that the USD 16,732 support was looking vulnerable. Due to the divergence, we are cautious on upside moves.
- We traded to a low of USD 16,800 before finding light bid support. We remain 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 16,973 with the RSI at or above 60 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 16,732 will support a near-term bull argument, if broken, it will warn that the USD 16,509 fractal support could be tested and broken.
- Technically bullish, the MA on the RSI is flat implying momentum is neutral. Upside moves above USD 17,165, have the potential to create further negative divergences with the RSI; not a sell signal, it is a warning we could see a momentum slowdown on an upside breakout. The technical continues to suggest caution on upside moves due to the divergence in play.

# Lead Morning Technical (4-hour)



|    | Support | Resistance | Current Price | Bull                | Bear         |
|----|---------|------------|---------------|---------------------|--------------|
| S1 | 2,046   | R1         | 2,073.5       | Stochastic oversold | RSI below 50 |
| S2 | 2,021   | R2         |               |                     |              |
| S3 | 1,988   | R3         |               |                     |              |

## Synopsis - Intraday

Source Bloomberg

- Price is between the EMA support band (Black EMA's)
- RSI is below 50 (49)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,088
- Technically bullish yesterday, the futures were testing the EMA support band, if we held, we would be vulnerable to another mover higher. However, we had moved lower on a lower timeframe negative divergence, meaning we remained cautious on upside moves, as the technical was indicating that support levels look vulnerable.
- The futures traded to a low of USD 2,062 before finding light bid support. We are between the EMA support band with the RSI near-neutral at 49, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,088 with the RSI at or above 59 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 1,988 will support a longer-term bull argument, if broken, the technical will have a neutral bias.
- Technically bullish but in a corrective phase, the MA on the RSI is implying that momentum is weak at this point. Upside moves that fail at or below USD 2,104 will leave the futures vulnerable to further tests to the downside, if broken, the USD 2,126 fractal high will start to look vulnerable. We maintain a cautious view on upside moves due to the price moving lower on a negative divergence and the weakening momentum.

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