

## China

(Bloomberg) -- Beijing has set out to extend its domestic laws across international borders with a ban on selling some goods to the US that applies to companies both inside and outside China.

The first use of new export control rules attempts to replicate the extraterritorial reach of US and European sanctions by covering Chinese products or goods with Chinese parts in them. In an announcement this week, China declared it's banning both the sale of dual-use items to the American military and also the export to the US of materials such as gallium and germanium.

Companies and people overseas will be subject to those restrictions, the Ministry of Commerce said Tuesday. "Any organization or individual from any country or region that violates the above provisions and transfers or provides relevant dual-use items originating in the People's Republic of China to organizations or individuals in the United States will be held accountable according to law."

## Zn

(Bloomberg) -- Zinc was on track for a weekly gain, with optimism building that Beijing will deliver fresh economic stimulus to bolster China's construction industry.

Prices of the metal, used to galvanize steel, edged higher on Friday and were trading near \$3,130 a ton. Zinc gained 4.6% last week after the withdrawal of huge volumes from London Metal Exchange warehouses stoked speculation of a potential squeeze on short-position holders.

China's top leaders plan to start the annual closed-door Central Economic Work Conference on Wednesday to map out economic targets and stimulus plans for 2025. There's also expectations that another meeting of the decision-making Politburo will be held this month.

Zinc has advanced 17% this year, the most of the six base metals on the LME. In signs of easing immediate supply stress and after trading at a premium last week, the spot contract traded at a discount of \$19.36 to the LME's three-month contract, returning to a market structure known as contango. The metal's spread on the Shanghai Futures Exchange also eased.

Prices may return to lows of around \$2,400 a ton amid expectations of multi-year sizable surpluses from 2025, as supplies from mines increase, Macquarie Group Ltd. analysts led by Marcus Garvey said in a note. They expect zinc to average \$2,650 next year from \$2,773 in 2024.

Prices of zinc were up 0.3% as of 11:17 a.m. in Singapore, on track for a weekly rise of 0.8%. Other metals were mixed, with copper gaining 0.5% and aluminum edging down, ahead of US jobs data that may help shed light on the Federal Reserve's future policy path.

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,094	R1	9,179.5	RSI above 50	Stochastic overbought
S2	8,864	R2	9,216		
S3	8,783	R3	9,324		

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- The RSI above 50 (55)
- Stochastic is above 50
- Price is above the daily pivot point USD 9,094
- Unchanged on the technical yesterday. The wave cycle was at an inflection point. If we trade above USD 9,179.5 it would suggest that the bearish cycle had completed.
- Sideways action yesterday, the futures have seen a small move higher in the Asian day session alongside equities and iron ore, in anticipation of more stimulus. We should note that yesterday on Bloomberg, the headline was 'Chinese state media warned against blindly chasing faster growth and signaled more focus on boosting consumption in a flurry of articles setting the stage for a key economic meeting next week'. The futures are above all key moving averages with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 9,094 with the RSI at or below 52 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 9,470 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, although we have seen light bid support this morning, the futures remain in a consolidation phase. The wave cycle remains at an inflection point. If we trade above USD 9,179.5 it will suggest that the bearish cycle has completed.

# Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,623	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Source Bloomberg

## Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (51)
- Stochastic is overbought
- Price is below the daily pivot point USD 2,638
- Technically bearish with a neutral bias yesterday, the probability of the futures trading to a new low had started to decrease. The MA on the RSI implied that momentum was supported, whilst the RSI was making new highs, warning downside moves had the potential to be countertrend. We noted that if we moved lower and closed back below trend support (USD 2,609), then market bulls should act with caution, as it would warn that sell side pressure was increasing.
- Sideways action yesterday has been followed by a small move lower in the Asian day session. We remain above the EMA support band with the RSI near-neutral at 51, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,638 with the RSI at or above 56 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 2,568 will support a bull argument, below this level the technical will be back in bearish territory.
- Technically bearish with a neutral bias, the MA on the RSI is indicating that momentum is supported; however, the RSI is below its average, warning momentum is showing signs of weakness. As noted previously, the upside move was supported by the RSI making new highs, warning downside moves have the potential to be countertrend. If we sell lower and close below the trend support line (I.E the previous resistance line) at USD 2,598, then market bulls should act with caution, as it will warn that sell side pressure is increasing.

# Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	3,115.5	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Source Bloomberg

## Synopsis - Intraday

- 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 3,105
- Technically bullish yesterday, we noted that if you look at the daily chart you will see that the futures were consolidating, but rejecting moves lower, implying there was an underlying support in the market. Our Elliott wave analysis continued to suggest caution on downside moves, if we traded above and close above the near-term fractal resistance at USD 3,112.5, it would further support a bull argument.
- The futures have seen another small move higher with price above the USD 3,112.5 fractal resistance. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 3,105 with the RSI at or below 54 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 3,004 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, price action remains supported, warning that the USD 3,168 resistance is vulnerable. However, the trajectory of this rally is weak, meaning the RSI will be in divergence if we make a new high. Not a sell signal, it is a warning that we could see a momentum slowdown, which will need to be monitored. Short – term bullish.

# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	15,974	R1	16,010	RSI above 50	
S2	15,660	R2			
S3	15,535	R3			

**Synopsis - Intraday**

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (51)
- Stochastic is below 50
- Price is above the daily pivot point USD 15,974
- Technically bearish yesterday, we noted that we had neutral price action based on a 3-wave move higher followed by a fractal break, implying the upside move was not considered as bullish impulse. However, we also noted that we needed the pattern to become clearer, this was because corrective moves act in three's, meaning there was still a chance that the move higher is a 3-3-3 corrective pattern, implying we could have one more test to the upside, before selling to a new low. At that point, we could not establish a bullish impulse pattern, due to the breach in USD 15,660 support. For this reason, I changed my view from neutral, to upside moves still look like they should in theory be countertrend.
- The futures traded to a low of USD 15,850 before producing an intraday rejection candle, resulting in price finding light bid support in the Asian day session, we are now back trading at yesterday mornings levels. We are above the EMA support band with the RSI near-neutral at 51, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 15,974 with the RSI at or above 54.5 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 16,268 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. Based on our interpretation of the Elliott wave cycle, it looks like the upside moves could be a bearish 3-3-3 pattern, meaning we maintain a cautious view on moves higher. Near-term price action should be up, but if we are correct on the Elliott wave pattern it will struggle to hold.

# Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bull
S1	2,093	R1	2,101	RSI above 50	Stochastic overbought
S2	2,083	R2			
S3	2,054	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (60)
- Stochastic is overbought
- Price is above the daily point USD 2,093
- Technically bullish yesterday, we remained in divergence on the 1- 2 - and-4-hour charts, meaning we maintained a cautious view on upside moves as they could struggle to hold. We also noted that the 200-period Daily MA is at USD 2,113, an area that recent market longs could look to exit. We stuck to our view, despite the small move higher each day.
- The futures have seen another small move higher. We remain above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4- hour candle below USD 2,093 with the RSI at or below 56.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,054 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 we have momentum support. The 4-hour RSI has breached its resistance line, meaning we are not in divergence on this timeframe; however, the 1-and- 2-hour remain divergence. We look to be on an Elliott wave 5 with a potential upside target of USD 2,136, the 200-period daily MA at USD 2,113 is a natural area of resistance. If we achieve our upside target, then we are probably looking at an Elliott wave extension, but this would be on a lower timeframe.
- We are not changing our view, we are cautious on upside moves at these levels, as the technical looks vulnerable to a move lower. Implied upside moves could struggle to hold.

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