

Cu/Al

(Bloomberg) -- Copper and aluminum steadied and other metals were mixed as investors waited for any development in US trade negotiations and China's likely stimulus measures.

Industrial metals have had a tumultuous few months, with prices making big swings amid the global trade turmoil, along with signs of better demand in China. Copper has gained for three straight weeks.

The market's focus stayed on the US government, which is working with 17 key trading partners, excluding China, to flesh out trade deals after President Donald Trump unveiled so-called "reciprocal" tariffs earlier this month.

There are indications that China's metals markets have been faring well despite trade-related uncertainties. Copper inventories in the warehouses of Shanghai Futures Exchange saw a record weekly drawdown last week. Stockpiles of zinc and aluminum are also relatively low.

Chinese officials have reiterated plans to step up support for the economy in the face of external challenges, including the potential collapse of exports to the US. Authorities are fully confident of reaching this year's growth target of around 5%, Zhao Chenxin, Vice Chairman of the National Development and Reform Commission, said in a briefing on Monday.

Copper fell as much as 0.7% and rose as much as 0.1% on the London Metal Exchange, before trading little changed at \$9,376 a ton at 1:11 p.m. in Shanghai. Aluminum inched higher and zinc fell, while iron ore futures in Singapore were flat.

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,394	R1	9,464	RSI above 50	
S2	9,369	R2	9,499		
S3	9,319	R3	9,723		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (55)
- Stochastic is oversold
- Price is below the daily pivot point USD 9,394
- Unchanged on the technical on Friday, we remained bearish with a neutral bias. Support was at USD 9,322 with resistance at USD 9,501. A close that held outside of this range would give near-term directional bias. We noted that if we traded below the USD 9,028.5 fractal support, it would warn that the USD 8,806 level could be tested and broken.
- The futures remain below the intraday 200-period MA (USD 9,499) but above the daily 200-period MA (USD 9,319). Price is below 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 9,394 with the RSI at or above 59.5 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 8,806 will support a bull argument, below this level the technical will be back in bearish territory.
- Except for price and momentum being aligned to the sell side, we are unchanged on the technical again today, we remain bearish with a neutral bias. Support is at USD 9,319 with resistance at USD 9,499. A close that holds outside of this range will give near-term directional bias. If we trade below the USD 9,028.5 fractal support, it will warn that the USD 8,806 level could be tested and broken. If the current 4-hour candle closes above USD 9,386 it will imply that buy side pressure is increasing, warning intraday resistance levels could come under pressure.

Aluminium Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	2,415	R1	2,440	2,432	RSI above 50	
S2	2,404	R2	2,495			
S3	2,384	R3	2,557			

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA Resistance band (Black EMA's)
- RSI is above 50 (53)
- Stochastic is overbought
- Price is below the daily pivot point USD 2,440
- Technically bearish on Friday, our Elliott wave analysis continued to suggest that upside moves should be considered as countertrend; however, the MA on the RSI suggested that momentum was supported. As noted previously, we have support between USD 2,425 - USD 2,415 which was confirmed yesterday, warning resistance levels were still vulnerable at that point. Downside moves that closed below and held below the USD 2,415 level will leave Fibonacci support vulnerable. If we did trade above the USD 2,557 level, then the probability of price trading to a new low would start to decrease. Near-term price action looked supported on the 4-hour timeframe; however, the 1-hour RSI was divergent with price, not a sell signal, it warned that we could see a momentum slowdown, which needed to be monitored.
- The futures have sold lower on the negative divergence, resulting in price testing the polarity support. Price is 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 2,440 with the RSI at or above 62.5 will mean price and momentum are aligned to the buy side. Upside moves that fail at or above USD 2,557 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 implies that we have light momentum weakness. The futures are testing polarity support (USD 2,425—2,415), a close below that holds below this area will warn that Fibonacci support levels could be tested and broken. Whilst above the polarity support, we are cautious on downside moves at this level, if the 4-hour candle closes above the high of the last dominant bear candle (USD 2,439) it will imply that intraday buy side pressure is starting to increase, meaning we could look to test the USD 2,468 fractal resistance. As noted previously, our Elliott wave analysis does continue to suggest that upside moves should be considered as countertrend.

Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,637	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (48)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,666
- Technically bearish yesterday, the MA on the RSI implied momentum remained supported. The futures were trading above the USD 2,688—USD 2,667.5 resistance area; however, we needed confirmation that this would act as support, as we had a minor divergence with the RSI on the 1-hour timeframe that suggested caution on moves higher in the near-term. We noted that if we closed below and held below the USD 2,667.5 level, it would leave Fibonacci support levels vulnerable. As noted previously, our Elliott wave analysis suggested that upside moves should be considered as countertrend, making USD 2,752 the key resistance to follow. If broken, then the probability of price trading to a new low would start to decrease, meaning the bearish wave cycle had a greater chance of failing.
- The upside move failed to hold due to the divergence on the 1-hour timeframe, resulting in price trading below the USD 2,667.5 level, and the EMA resistance band. The RSI is below 50 with price and momentum aligned to the sell side.
- A close on the 4-hour candle above USD 2,666 with the RSI at or above 55.5 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 2,752 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 implies we have light momentum weakness. The futures are now trading at the high of the Fibonacci support zone; if we hold above the USD 2,581 level, it will support a near-term bull argument; likewise, below this level will suggest that the USD 2,515.5 fractal support could be tested and broken. Conversely, upside moves that reject the USD 2,688 resistance will warn of technical weakness. We maintain our view based on Elliott wave analysis that upside moves should in theory be countertrend, making USD 2,752 the key resistance to follow. If broken, then the probability of the futures trading to a new low will start to decrease.

Nickel Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	15,110	R1	15,846	15,620	RSI above 50	
S2	14,872	R2	15,901			
S3	14,550	R3	15,920			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (51)
- Stochastic is oversold
- Price is above the daily pivot point USD 15,623
- Unchanged on the technical again on Friday, we remained bearish with a neutral bias, meaning the probability of price trading to a new low had started to decrease. Price was trading on the 200-period MA (USD 15,848) and testing the trend resistance line, meaning we were at an inflection point. If we close above and held above the USD 15,881 level, then the USD 16,480 fractal high will become vulnerable; however, the futures remained in divergence on the 4 hour timeframe. Not a sell signal, it warned that we could see a momentum slowdown, which needed to be monitored. We had a neutral view on this technical .
- The futures rejected the 200-period MA and the trend resistance, resulting in a small move lower. We are above the EMA support band with the RSI near-neutral at 49, intraday price and momentum are aligned to the sell side, as the previous candle closed below the daily pivot level.
- A close on the 4-hour candle above USD 15,623 with the RSI at or above 55.5 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 14,550 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 implies that we have light momentum weakness. The rejection of the resistance area whilst in divergence, means that we remain cautious on moves higher in the near-term. If we close above the 200-period MA and trend resistance (USD 15,846—USD 15,901) then it will leave the USD 16,480 fractal resistance vulnerable; however, we could still be in divergence with the RSI above USD 15,880 which will need to be monitored.

Lead Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	1,950	R1	1,987	1,968	RSI above 50	
S2	1,915	R2	2,006			
S3	1,901	R3	2,039			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (59)
- Stochastic is above 50
- Price is above the daily point USD 1,950
- Technically bearish on Friday, the futures remained in the lower half of the trend channel, suggesting buy-side momentum remained weak. Price was currently holding below the USD 1,965 resistance whilst in divergence on the 1-hour timeframe, warning we could see a momentum slow down, meaning we remained cautious on higher moves at those levels. A close below channel support (USD 1,942) would imply that sell side pressure is increasing, warning the Fibonacci support zone could come under pressure.
- The futures closed below but have failed to hold below the channel support due to price moving higher on the open. We are above the EMA support 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 1,950 with the RSI at or below 54.5 will mean price and momentum are aligned to the sell side. Upside move that fail at or below USD 2,006 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 are seeing bid support on the open, resulting in price trading to a new high. However, we remain in the lower half of the rising channel whilst in divergence on the 1-hour timeframe, meaning we remain cautious on higher moves in the near-term. If we do trade above the USD 2,006 resistance, then the probability of the futures trading to a new low will start to decrease, increasing the probability of the bearish wave cycle failing.