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(Bloomberg) -- Copper fell and iron ore pared gains after China delivered long-awaited rate cuts to shield the top metals-consuming nation from the impact of US tariffs.

Industrial metals have been rattled by US President Donald Trump's aggressive trade policy since he took office in January. Meanwhile, China has been boosting stimulus to support the world's second-largest economy in the face of the ongoing trade war.

On Wednesday, the People's Bank of China cut the seven-day reverse repurchase rate to 1.4% from 1.5%. It will also trim the reserve requirement ratio by half a percentage point. The announcement came hours after China revealed it would hold its first trade talks this weekend with US officials since Trump unleashed a 145% tariff on most Chinese goods.

"The cuts are within expectations, there is no more beyond that," said Jia Zheng, head of trading at Shanghai Soochow Jiuying Investment Management Co. suggesting metals investors exit on profit taking.

Investors are also focused on Wednesday's interest rate decision by the US Federal Reserve, with traders expecting policy-makers to hold.

Copper fell 0.8% to \$9,461.50 a ton on the London Metal Exchange as of 10:52 a.m. in Shanghai, halting three-day gains.

Aluminum and zinc declined 0.8% and 0.5% respectively.

Iron ore prices have taken a hit over the last few months as tariff turmoil has hurt macroeconomic sentiment at a time when demand for the product in China has been slowing. The market is also bracing for a looming oversupply problem, with analysts predicting prices could drop as low as \$80 a ton toward the end of the year.

Futures in Singapore rose 0.5% to \$98.05 a ton, after rising as much as 2.4% earlier.

Copper Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	9,444.5	R1	9,483	9,467.5	RSI above 50	Stochastic overbought
S2	9,095	R2	9,488			
S3	8,973	R3	9,723			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (57)
- Stochastic is above 50
- Price is below the daily pivot point USD 9,488
- We remain bearish with a neutral bias yesterday, intraday price remained above the 200-period daily MA, (USD 9,313) with price continuing to see bid support after reports from the US that they could see some trade agreements as early as this week. However, we remained below the intraday 200-period MA (USD 9,488), indicating near-term price action remained neutral. If we closed above and held above the USD 9,488 level, it would warn that resistance levels could come under pressure. We noted that the 1-hour timeframe had a minor divergence, warning we could see a momentum slowdown, meaning we were cautious on moves higher whilst the divergence was in play.
- The futures traded to a high of USD 9,582, resulting in an intraday close above the 200-period MA (USD 9,504); however, the futures sold lower on the Asian open, resulting in price closing back below the average. 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 below USD 9,488 with the RSI at or below 55.5 will mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is aligned to the buy side. Downside moves that hold at or above USD 8,808 will support a bull argument, below this level the technical will be back in bearish territory.
- Bearish with a neutral bias, the futures are below the 200-period intraday MA, meaning we are back in neutral territory. The 4-hour upside move and close above the MA yesterday was on higher than average volume, this is also the last dominant bull candle. If we close below the low of this candle (USD 9,444.5), it will warn that buy side pressure is easing, whilst a daily close below the weekly pivot level (USD 9,311) will indicate that sell side pressure is increasing. We are in neutral territory, but intraday price action should be considered as bullish until we see a close below the USD 9,444.5 level.

Aluminium Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	2,385	R1	2,434	2,394.5		RSI below 50
S2	2,358	R2	2,471.5			
S3	2,336	R3	2,495			

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (42)
- Stochastic is below 50
- Price is below the daily pivot point USD 2,434
- Technically bearish yesterday, the futures were trading back above the resistance band, warning that the USD 2,471.5 fractal resistance was vulnerable. However, our Elliott wave analysis continued to suggest that upside moves should be considered as countertrend, whilst a move above USD 2,471.5 would create a negative divergence with the RSI. Not a sell signal, it warned that we could see a momentum slowdown, meaning we had a note of caution on upside breakouts above this level.
- Having traded to a high of USD 2,460 on the Asian open yesterday, the futures failed to find further bid support, resulting in price selling lower. We are 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 2,434 with the RSI at or above 52.5 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 upside rejection yesterday has resulted in the futures opening on the weekly pivot level (USD 2,431), the subsequent downside move means we are below this level. A daily close below USD 2,431 will imply sell side pressure is increasing, whilst a move below USD 2,391 will warn the Fibonacci support zone could be tested and broken. As noted previously, our Elliott wave analysis suggests that upside moves should be considered as counter-trend.

Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,617.5		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 (47)
- Stochastic is above 50
- Price is below the daily pivot point USD 2,639
- Technically bearish yesterday, the MA on the RSI implied that we had light momentum support. The futures were testing but remained below the 2,667—2,690 resistance band. A close above that held above the USD 2,710 resistance would warn that the USD 2,752 level could be tested and broken; if it was, then the probability of price trading to a new low would start to decrease. Price and momentum were aligned to the buyside, but we were just below the resistance band, meaning the futures were at an inflection point. Whilst below USD 2,752 we had a note of caution on moves higher, as our Elliott wave analysis suggests upside moves could struggle to hold. We were seeing market support, but need to see further upside to suggest the USD 2,752 resistance was vulnerable.
- The futures failed to trade above the resistance band yesterday, resulting in sideways action; however, we have seen a small move lower on the Asian open. We are below the EMA resistance band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 2,639 with the RSI at or below 46 will mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is aligned to the buyside. 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 rejection of the resistance band (highlighted in read, not to be confused with the EMA resistance band) is warning that support levels are starting to look vulnerable. However, for downside continuation, price and momentum will need to become aligned to the sell side. As noted previously, our Elliott wave analysis suggests that upside moves should be considered as countertrend.

Nickel Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	15,660	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 (54)
- Stochastic is overbought
- Price is above the daily pivot point USD 15,632
- Technically bearish with a neutral bias yesterday, the MA on the RSI implied that we had light momentum support, warning resistance levels were vulnerable. However, we remained below the 200 –period MA (USD 15,804) and trend resistance (USD 16,013); we noted that for upside continuation we would need to see a close above that holds above both the longer-term MA and trend resistance. Price action was supported, but until we are above the resistance zone highlighted, we continued to have a note of caution on moves higher.
- Sideways action yesterday, the futures 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 15,632 with the RSI at or below 49.5 will mean price and momentum are aligned to the sell side. 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.
- Unchanged on the technical today, we remain bearish with a neutral bias, meaning the probability of price trading to a new low has started to decrease. The MA on the RSI implies that momentum is supported; however, we remain below the 200-period MA and the trend resistance line (USD 15,786—USD 16,031), meaning we continue to have a note of caution on moves higher whilst below the resistance zone.

Lead Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	1,910	R1	1,931	1,928	RSI below 50	Stochastic oversold
S2	1,886	R2	1,949			
S3	1,868	R3	1,971			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (43)
- Stochastic is oversold
- Price is below the daily point USD 1,931
- Unchanged on the technical yesterday, we remained bearish with the MA on the RSI implying that momentum was weak. The rejection of the resistance zone due to the divergence in play suggested that Fibonacci support levels remained vulnerable; meaning we maintained a cautious view on upside moves whilst below the resistance zone, 200-period MA and the USD 2,006 level.
- The futures continue to sell lower on the back of the upside rejection. Price is below the EMA resistance 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 1,931 with the RSI at or above 49 will mean price and momentum are aligned to the buyside. 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 MA on the RSI implies that momentum is weak, whilst the upside rejection continues to warn that Fibonacci support levels are vulnerable. As noted previously, we are cautious on moves higher whilst below the resistance zone, the 200-period MA (USD 1,985), and the USD 2,006 level. However, if we close on the 4-hour candle above the high of the last dominant bear candle (USD 1,941), it will warn that sell side pressure is easing, leaving the futures vulnerable to an intraday move higher.