

China

China is touting its ascent and declaring the primacy of economic development. What a shame that when it comes to showing us the money, Beijing is MIA.

The announcement late Monday by the government that key indicators will be delayed is disappointing on several levels. It revives skepticism that critical metrics of economic progress are massaged or subjugated for political ends. The move opens the door to speculation that China's expansion — already faltering — has taken a turn for the worst.

The delay without explanation also points to a deeper problem. How can a country aspiring to a leadership role in global finance just shrug off the publication of statistics that guide investor sentiment and steer expectations for interest rates and fiscal policy? In the absence of an official reason, the postponement has been widely attributed to the Communist Party congress taking place this week that's likely to grant President Xi Jinping a third term. (Bloomberg).

Cu

Copper slipped after inventories in Shanghai spiked by a record to ease supply stress in the top metals-consuming country, while the demand outlook continued to be pressured by the potential for more Federal Reserve monetary tightening.

The metal, which has slumped 30% from a March record, received some support last week after buyers in China faced extremely low inventories.

There are signs that squeeze is easing, with the Shanghai Futures Exchange's on-warrant holdings of the metal ready for delivery surging by 47,024 tons on Monday in the biggest spike in data going back to 2010. The spread in the nearby futures contracts also narrowed from a multi-year high. (Bloomberg).

Al

Aluminum fell the most since August after inventories tracked by the London Metal Exchange saw the biggest percentage gain in 19 months, fueling speculation that a glut of unwanted Russian metal could start arriving on the bourse.

The deliveries into LME warehouses in Asia come at a tense time for the global aluminum market, as the bourse debates whether it should block inflows of Russian metal that some large consumers are refusing to buy under new contracts for next year (Bloomberg).

Copper Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	7,566	RSI is above 50	
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is on the EMA resistance band (Black EMA's)
- RSI is at 50 (50)
- Stochastic is below 50
- Price is below the daily pivot point USD 7,558
- The futures remain in the EMA resistance band on the intraday chart which is flat, indicating a lack of trend in the market. The RSI is at 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 7,558 with the RSI at or above 52.5 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 7,741 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Neutral based on the EMA's and RSI

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,191	R1	2,250	Stochastic oversold	RSI below 50
S2	2,137	R2	2,246.5		
S3	2,080.5	R3	2,304		

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (46)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,250
- Flat EMA's indicated a lack of trend in the market yesterday with key support at USD 2,262. The futures moved lower (breaking support) with price now below the EMA resistance band 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 2,250 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 below USD 2,332 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- The downside move below key support warns of the potential for further technical weakness, we now target the USD 2,191 level in the near-term, if broken the USD 2,137 and USD 2,080.50 levels will be vulnerable.
- Technically bearish.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,855	R1	2,884	Stochastic oversold	RSI below 50
S2	2,812	R2	2,873.5		
S3	2,758	R3	2,999.5		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (41)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,884
- Technically bearish yesterday with price trading back into the consolidation/support zone, the futures needed to trade below the USD 2,858 fractal support for downside continuation. Price did move lower with the support broken in the last 2-hours of the day, the RSI is below 50 with the stochastic in oversold territory, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,884 with the RSI at or above 46.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,949 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 2,999.50 is the intraday technical bullish.
- Technically bearish, the break in fractal support is now leaving the USD 2,812 and USD 2,758 support levels vulnerable. Key near-term resistance is at USD 2,946.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	21,482	R1	21,541	Stochastic oversold	RSI below 50
S2	21,015	R2			
S3	20,940	R3			

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 pivot point USD 21,647
- Technically bearish yesterday with the futures trading at the base of the consolidation zone, a move below USD 21,660 or a close below 21,820 warned that the USD 20,940 fractal low is vulnerable. The futures moved below support to a low of USD 21,470. 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 21,647 with the RSI at or above 49.5 will mean price and momentum are aligned to the buy side. Key resistance remains unchanged at USD 24,081, as we are yet to trade below the base of the dominant bear wave (USD 20,940). Upside moves above USD 22,795 will target the USD 23,200 and USD 23,320 resistance levels in the near-term.
- Technically bearish, the USD 20,940 fractal support is starting to look vulnerable.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,029	R1	2,040	RSI above 50	Stochastic overbought
S2	1,970	R2			
S3	1,932	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (55)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,029
- Technically bullish yesterday with the futures moving sideways alongside the top of the EMA support zone, the futures need to see a close above USD 2,065 to signal upside continuation. The RSI is above 50 with intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,029 with the RSI at or above 57.5 will mean price and momentum are aligned to the buy side. Likewise, a close below this level with the RSI at or below 53.5 will mean it is aligned to the sell side. Upside moves above USD 2,065 will break fractal resistance, warning of upside continuation. Downside moves that hold at or above USD 1,932 will support a bull argument, below this level the technical will have a neutral bias.
- Little has changed since yesterday. Technically bullish with price moving sideways but holding above the top of the EMA support band.