

## China

Chinese shares snapped a three-day losing streak on Friday as sentiment was boosted by Premier Li Qiang's latest remarks, vowing that China will accelerate the introduction of more economic policies.

The Shanghai Composite Index, the main gauge of Chinese stocks, rose 1.5%, or 46.73 points, to 3,132.43. The Shenzhen Component Index likewise edged up 2%, or 196.71 points, to 10,178.38.

Sentiment turned positive after Li said during a cabinet meeting on Wednesday that the government will continue rolling out more supportive policies to spur economic recovery.

Separately on Wednesday, Yi Gang, former governor of the People's Bank of China, said China should step up policy support for the economy while promoting reforms to help achieve the government's annual growth target of around 5%. (Bloomberg).

## Cu

Copper trimmed Thursday's large slump after a jittery week of trading dominated by concerns over Federal Reserve policy and China's struggling economy.

The metal often seen as a barometer of global growth sank to its lowest since May in intra-day trading on Thursday, as strong US jobs data fueled bets on a more hawkish Fed. While prices were steadier on Friday, copper was still heading for a weekly fall.

Copper has been stuck in relatively narrow range for the last three months as investors monitor China's disappointing economic rebound along with softness in global manufacturing. Prices will fall below \$8,000 a ton by the year's end, according to Beijing Antaike Information Development Co. (Bloomberg).

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,199	R1	8,221		RSI below 50
S2	8,138	R2			
S3	8,072	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (39)
- Price is above the daily pivot point USD 8,199
- Stochastic is below 50
- The futures had traded below the USD 8,262 support to a low of USD 8,260 yesterday. The new low meant that the RSI was in divergence with price, not a buy signal it warned that we had the potential to see a momentum slowdown which to be monitored. However, lower timeframe Elliott wave analysis suggested that that we had a potential downside target at USD 8,232, if broken we targeted the USD 8,213 fractal low from the 08/09/23. The futures traded to a low of USD 8,017 before finding bid support that produced a bullish rejection candle. Piece is below the EMA resistance band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 8,199 with the RSI at or above 44 will mean price and momentum are aligned to the buyside; likewise, a close below this level will mean it is aligned to the sell side. Upside moves that fail at or below USD 8,359 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- The technical remains bearish with intraday Elliott wave analysis suggesting upside moves should be considered as countertrend. the strong move lower yesterday was focused on the 15-month symmetrical triangle that was in play, with price trying for the downside breakout. The move failed with price closing the day back in the symmetrical, where we remain this morning as we are trading on (just below) the support line. If we trad below USD 8,071 which is the low of the rejection candle, then focus should be on the daily support levels at USD 7,971 and USD 7,761. If we hold above the support band, then the probability of the intraday Elliott wave cycle failing will increase. A point of note relating to the daily Elliott wave cycle that we highlighted on the daily technical a week ago, the higher timeframe wave cycle is back in bearish territory due to the depth of the downside move.

# Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,231	R1	2,255	RSI above 50	
S2	2,226	R2	2,263		
S3	2,218	R3	2,282		

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (55)
- Stochastic is below 50
- Price is above the daily pivot point USD 2,224
- Technically bullish yesterday due to the futures trading to a new high, the RSI had gone from a lower low to a new high. We'd had a neutral bias and a conflicting technical previously, as the intraday Elliott wave cycle was not the clearest due to the momentum support; however, based on the move higher it suggested that there had been some form of bull wave extension, resulting in the oscillator trading to a new high. This implied that downside moves had the potential to be countertrend in the near-term. The futures traded lower and broke key support, resulting in the technical entering neutral territory; however, we have found bid support on the Asian open, meaning the technical is once again bullish. Price is above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,224 with the RSI at or below 54.5 will mean price and momentum are aligned to the sell side. Note. The RSI is below its MA but has not closed below it at this point. Downside moves that hold at or above USD 2,218 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the intraday Elliott wave cycle continues to suggest that resistance levels are vulnerable at this point, with downside moves looking like they could potentially be countertrend.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,521	R1	2,563	RSI above 50	
S2	2,514	R2	2,570		
S3	2,500	R3	2,295		

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (56)
- Stochastic is below 50
- Price is above the daily pivot point USD 2,514
- The break in fractal resistance yesterday meant that the technical was bullish based on price, whilst the move above USD 2,555 meant that the Elliott wave cycle had a neutral bias. As noted previously, the original downside move that started on the 14/09 looked to have consisted of 5 waves, implying yesterday's move higher should in theory be considered as countertrend. The breach in the resistance meant we were a cautious bear, but if the USD 2,508 support was broken, then the wave cycle would be back in bearish territory, warning support levels could come under pressure, making USD 2,508 the key level to follow. The futures broke to the downside with price trading to a low of USD 2,475 before finding bid support. We are back above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,514 with the RSI below 50.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,502 will support a near-term bull argument, below this level the USD 2,475 fractal low will be vulnerable.
- Technically we are bullish with a neutral bias due to the strength of the upside move. The upside move on the 20/09 was countertrend and has been followed by a downside move to a new low, in theory, the corrective phase could potentially have completed. The upside move today is deep into the last bear wave, warning that the USD 2,563 fractal resistance is vulnerable. If broken, we target the USD 2,595 high from the 14/09.



# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	19,175	R1	19,235	Stochastic oversold	RSI below 50
S2	18,898	R2			
S3	18,662	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (36)
- Stochastic is oversold
- Price is below the daily pivot point USD 19,285
- Technically bearish yesterday, the futures were still in divergence dating back the 13/09/23; however, the near-term RSI had traded below the low created on the 17/09, suggesting upside moves should be considered as countertrend. A move above USD 19,932 would be considered as deep, meaning that the probability of the futures trading to a new low would decrease. The futures continued to move lower with price remaining 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 19,285 with the RSI at or above 42 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 19,832 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the divergence from the 13/09/23 has now failed as the RSI has made a new low. We maintain our view based on intraday Elliott wave analysis that upside moves should be considered as countertrend.

# Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,186	R1	2,233		
S2	2,166	R2	2,264		RSI below 50
S3	2,132	R3	2,277		

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (43)
- Stochastic is below 50
- Price is above the daily pivot point USD 2,186
- Technically bullish but with a neutral bias yesterday, the breach in the USD 2,187 support warned that the Elliott wave cycle could potentially fail; however, confirmation of this would only come on a move below USD 2,132, as this is the low of the bullish impulse wave 3. The MA on the RSI suggested that momentum remained weak, whilst the RSI was making new lows, implying upside moves should be considered as countertrend. This implied that there was further downside to come, meaning support levels remained vulnerable. The futures traded to a low of USD 2,163 before finding light bid support. Price is below the EMA resistance band with the RSI below 50, intraday price and momentum are now conflicting.
- A close on the 4-hour candle below USD 2,186 with the RSI at or below 39 will mean price and momentum are aligned to the sell side. Likewise, a close above this level with the RSI at or above 43.5 will mean it is aligned to the buyside. Upside moves that fail at or below USD 2,233 will leave the futures vulnerable to further tests to the downside, above this level the futures will target the USD 2,270 fractal high.
- We remain bullish with a neutral bias, the downside move in the RSI continues to suggest that upside moves have the potential to be countertrend, making USD 2,233 the key resistance to follow. The depth of the downside move means that the probability of the futures trading to a new high has now decreased.

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