

China

China's economy showed signs of a stronger recovery in September, according to a firm analyzing the global economy using satellite data.

Activity around Chinese shopping malls remained at relatively high levels in September following an increase in August, according to SpaceKnow, a US company that analyzes satellite images. A pickup in cement manufacturing, which began in June, was also sustained through this month, the data show. (Bloomberg).

Al

Requests to withdraw aluminum from warehouses tracked by the London Metal Exchange jumped by 46,000 tons to 312,175 tons, according to data from the bourse.

Increase driven by rising orders in Gwangyang, South Korea

LME aluminum prices +1.8% to \$2,319/ton, holding earlier gains (Bloomberg).

Zn

Zinc jumped by the most in almost nine months after a sharp rise in requests for the metal stored in London Metal Exchange warehouses sparked a round of short-covering among investors who have turned bearish on its prospects.

Prices jumped more than 6% on the LME after orders for zinc in warehouses tracked by the exchange rose by the most in two months, driven by requests for the metal in Singapore. The cancellation of stock reduces the amount that's left available to other buyers, and often reflects rising demand in the physical industry. (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,217	R1	8,307	RSI above 50	Stochastic overbought
S2	8,189	R2	8,123		
S3	8,176	R3	8,359		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (59)
- Price is above the daily pivot point USD 8,176
- Stochastic is overbought
- Technically bearish on Wednesday, we had a potential near-term downside target at USD 8,027. The lower timeframe RSI was in divergence, warning that we could see a momentum slowdown, suggesting caution on downside moves. However, our intraday Elliott wave cycle does suggest that upside moves should still be considered as countertrend. From an Elliott perspective, we look to be on a bearish wave 5 of a wave 3. The futures moved higher yesterday and on the open this morning, the technical is now bullish based on price having made a higher high. Price is above the EMA resistance band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 8,176 with the RSI at or above 41 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 8,150 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish based on price, the longer-term Elliott wave cycle remains bearish below USD 8,359 and neutral above. We noted on yesterday's close report that the MA on the RSI suggested that momentum was supported at this point, meaning that downside moves had the potential to be countertrend. We have seen no intraday pullback with momentum remaining supported, suggesting this remains the case.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,274	R1	2,307	RSI above 50	Stochastic overbought
S2	2,268	R2			
S3	2,264	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (69)
- Stochastic is overbought
- Price is above daily pivot point USD 2,268
- Technically bullish on Wednesday, the MA on the RSI remained flat, implying momentum was neutral; however, the upside move previously had warned that resistance levels were vulnerable, despite the deep pullback on the 25/09. The futures are now trading at new highs above a long-term resistance zone. Price is 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 2,268 with the RSI at or below 55.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,250 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, price and the RSI are making new highs whilst the MA on the RSI implies that momentum is supported at this point, meaning intraday downside moves should be considered as countertrend. We are approaching Fibonacci resistance having traded to a high of USD 2,310.5, this would suggest the upside move today is starting to look a little over extended, meaning we could be vulnerable to intraday sellers between USD 2,313 – USD 2,325, warning that we have the potential to see some form of Intraday pullback if we move much higher.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,587	R1	2,672	RSI above 50	Stochastic overbought
S2	2,582	R2	2,686		
S3	2,565	R3	2,701		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is below 50 (68)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,582
- Technically bullish but with a neutral bias on Wednesday due to the move lower previously. The MA on the RSI suggested that momentum was weak, whilst the move lower on the back of the negative divergence with the RSI warned that support levels remained vulnerable. The futures traded to a low of USD 2,472, meaning we held above the USD 2,469.5 support. A strong move higher yesterday resulted in a break in fractal resistance, taking the technical back into bullish territory. Price is 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 2,582 with the RSI at or above 52 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,535 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI would suggest that momentum is supported at this point; however, we are a little cautious as the RSI is now testing resistance, warning we are vulnerable to an intraday pull-back. The longer-term Elliott wave cycle remains bearish with key resistance at USD 2,745, above this level the wave cycle will have a neutral bias, as the deep pullback would suggest that the probability of the futures trading to a new low will decrease.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	18,823	R1	19,043		RSI below 50
S2	18,637	R2	19,299		
S3	18,521	R3	19,333		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (44)
- Stochastic is above 50
- Price is below the daily pivot point USD 19,043
- Technically bearish with upside moves still considered to be countertrend on Wednesday. We highlighted USD 19,187 as a key resistance; this level related to the lower timeframe Elliott wave cycle that was still in divergence with the RSI. However, the longer-term technical (wave cycle) remained bearish below USD 19,914 (revised to USD 19,888), meaning although an upside move above USD 19,490 would create a higher high, the cycle would remain bearish. The futures have moved higher on the lower timeframe divergence, meaning the near-term technical has a neutral bias. Price remains 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 19,043 with the RSI at or below 37.5 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 18,823 will support a near-term bull argument, below this level the USD 18,555 fractal resistance will be vulnerable. Likewise, upside moves that fail at or below USD 19,888 will leave the longer-term Elliott wave cycle vulnerable to further tests to the downside, above this level the cycle will have a neutral bias.
- The near-term technical is bearish with a neutral bias, the MA on the RSI would suggest that momentum is currently supported, meaning the USD 19,299 – USD 19,490 resistance levels have the potential to be tested.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,192		Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is at 50 (50)
- Stochastic is overbought
- Price is above daily pivot point USD 2,180
- Unchanged on the technical on Wednesday, we remained bullish with a neutral bias with the USD 2,163 support looking like it could be tested and broken; however, below this level the futures would be in divergence with the RSI, suggesting caution on downside breakouts. The futures traded to a low of USD 2,147 before moving higher, price is now between the EMA resistance band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,180 with the RSI at or below 40 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,228 will leave the longer timeframe Elliott wave cycle vulnerable to further tests to the downside, above this level the futures will target the USD 2,270 fractal high.
- Technically bullish with a neutral bias, the MA on the RSI would suggest that we are seeing momentum support at this point. Above USD 2,203 the technical is bullish based on price, meaning focus will be on the USD 2,228 resistance.

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