

China

Tepid data on China home sales during the key vacation season raised doubts over whether Beijing's steps to prop up the property market are ample to revive the sector this year.

In the new-home market, daily sales during the eight-day Golden Week holiday declined 17% from last year, according to data on 35 major cities tracked by China Index Holdings Ltd. Daily sales of existing properties slid 8% over the period, separate data by China Real Estate Information Corp.'s tally on eight major cities showed.

"The home market was generally muted during the holiday," said Yang Kewei, a Shanghai-based analyst at CRIC. "Except for the few top-tier cities where home markets remained resilient, the majority of other cities were rather lackluster." (Bloomberg).

Cu

Copper rallied for a second day, recovering from the lowest close in 11 months, as China's markets reopened after a weeklong holiday.

While the surprise attack by Hamas on Israel heightens uncertainties across global markets, especially for oil, its wider impact on risk assets may prove short-lived. The gain in copper on the London Metal Exchange on Monday following its biggest weekly loss in a month could be a case in point.

Copper futures in Shanghai were flat on their first trading day since Sept. 28, even after the loss on the LME during the Golden Week holiday. Investors are monitoring the state of China's economy amid modest signs of recovery. (Bloomberg)

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	7,996	R1	8,204	RSI above 50	Stochastic overbought
S2	7,961	R2	8,268		
S3	7,867	R3	8,377		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (38)
- Price is below the daily pivot point USD 7,996
- Stochastic is oversold
- Technically bearish with upside moves considered as countertrend on Friday. The new low previously had created a positive divergence with the RSI, not a buy signal it warned that we had the potential to see a momentum slowdown. Due to the divergence, the futures were not considered a technical sell, as we were vulnerable to an intraday upside move higher. The futures have moved higher with price trading in the Fibonacci resistance zone. The Futures are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 7,996 with the RSI at or below 39 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 8,204 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Likewise, downside moves that hold at or above USD 7,961 will support a near-term bull argument, below this level the USD 7,870 low has the potential to be tested and broken.
- Technically bearish, in theory the upside move looks to be countertrend based on the RSI making a new low alongside price on the 04/10. However, the MA on the RSI does suggest that momentum is supported at this point, making USD 8,204 the key resistance to follow. If broken, the probability of the futures traded to a new low will start to decrease, based on the strength of the upside move.

Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,238		RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (43)
- Stochastic is below 50
- Price is on/below daily pivot point USD 2,237
- Technically bullish with a neutral bias last week. Downside moves below USD 2,225 would create a positive divergence with the RSI, warning we had the potential to see a momentum slowdown, suggesting caution on downside breakouts. However, we maintained our view that upside moves look like they would be counter-trend based on the RSI low on the 04/10. The futures traded to a low of USD 2,222.5 before finding light bid support. Price is below the EMA support band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 2,237 with the RSI at or below 40 will mean price and momentum are aligned to the sell side. Likewise, a close above this level will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,317 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- In terms of price action, we have seen little movement since Friday. The continued sideways action is now making the lower timeframe wave cycle a little harder to read. We have traded to a new low, meaning the minimum requirement for phase/cycle completion on the lower time frame has been met, warning we are vulnerable to a move higher in the near term. However, this downside move looks to have consisted of 5 waves, suggesting upside moves should be considered as countertrend. We remain above the USD 2,220 support meaning the futures are still considered as bullish with a neutral bias.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,494	R1	2,539	RSI above 50	
S2	2,489	R2			
S3	2,461	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (52)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,494
- Technically bearish on Friday, we had a positive divergence on a lower time frame, warning we could see a momentum slowdown, for this reason the futures were not considered a technical sell at these levels. However, as noted previously, based on the 5-wave pattern lower, upside moves should in theory be countertrend. Having created a positive divergence, the futures have seen a move higher, resulting in price now testing the base of the Fibonacci resistance zone. We are now trading 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 2,494 with the RSI at or below 41 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,602 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Likewise, downside moves that hold at or above USD 2,489 will support a near-term bull argument, below this level will warn that the USD 2,461 fractal support could be tested and broken.
- Technically bearish, the MA on the RSI is warning that resistance levels could be vulnerable in the near-term; however, we maintain our view that upside moves look like they could be countertrend based on the 5-wave pattern to the downside.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	18,505	R1	18,717		RSI below 50
S2	18,350	R2	18,837		
S3	18,053	R3	18,999		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (46)
- Stochastic is below 50
- Price is below the daily pivot point USD 18,505
- Technically bearish in the last report, the futures were in divergence, warning we could see a momentum slowdown, suggesting caution on downside moves in the near-term. We maintained our view that upside moves should be considered as countertrend. The futures have found light bid support on the open with price now testing the base of the Fibonacci resistance zone. We remain below all key moving averages supported by the RSI below 50, intraday price and momentum are conflicting, as the opening candle closed below the daily pivot level.
- A close on the 4-hour candle above USD 18,505 with the RSI at or above 42.5 will mean price and momentum are aligned to the buy side. Likewise, a close below this level with the RSI at or below 38 will mean it is aligned to the sell side. Upside moves that fail at or below USD 18,999 will leave the futures vulnerable to further tests to the downside, above this level the Elliott wave cycle will have a neutral bias. However, key resistance on the wave cycle is at USD 19,811, the cycle is bearish below this level and neutral above.
- Technically bearish, the futures were moving higher on the back of the positive divergence with the RSI; however, we maintain our view that upside moves look to be countertrend at this point.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	2,146	2,168.5	RSI above 50	Stochastic overbought
S2	2,127			
S3	2,107			
	R1	2,181		
	R2	2,203		
	R3	2,217.5		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (52)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,146
- Technically bearish on Friday, the futures were moving higher with the MA on the RSI suggesting that momentum was supported; however, the RSI was below 50 with the stochastic in overbought territory. If the RSI could hold below 50 then the futures will be vulnerable to a move lower; likewise, above this level the overbought stochastic would become less relevant. Momentum was conflicting, but the Elliott wave cycle would suggest that the current upside move looked to be countertrend. The futures have moved higher with price breaching the USD 2,168 resistance, although bearish, we now have a neutral bias. 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 2,146 with the RSI at or below 42.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,127 will support a bull argument, below this level the USD 2,102 fractal support will become vulnerable.
- Technically bearish with a neutral bias, the strength of the upside move means that the probability of the futures trading to a new low has started to decrease, above USD 2,203 the intraday technical will be bullish. The MA on the RSI continues to suggest that momentum is supported, the RSI is now above 50. If price and momentum become aligned to the sell side than we could see the USD 2,127 support come under pressure, at this point, resistance remains vulnerable.