

China

Country Garden is set to struggle to repay its outstanding offshore debts on time as its 81% year-over-year decline in September monthly contracted sales suggests limited cash collection. The developer's engagement with financial and legal advisors on Oct. 10 to evaluate its capital structure doesn't mean a restructuring plan may be ready soon, if Evergrande and Shimao are any guide. (Bloomberg Intelligence).

Metals

The world's metal traders are enduring one of their toughest periods in years, even as an international race for minerals thrusts the industry into the geopolitical spotlight like never before.

From top copper trader Trafigura Group to the largest metals-specialist hedge fund, a who's-who of powerful and high-profile names have lost money, cut staff or suffered other setbacks in the past year.

It's a disconnect that's likely to dominate conversations as thousands of traders, financiers and investors descend on London for the annual LME Week gathering that kicks off Sunday: on the one hand, governments around the world are growing increasingly concerned about future availability of metals like copper, nickel and cobalt that will be critical to the energy transition. Yet for the past year, weak industrial demand has kept prices under pressure, leaving traders struggling to eke out profits from sluggish metals markets. (Bloomberg)

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	7,963	R1	8,087		
S2	7,867	R2	8,204		Stochastic overbought
S3	7,817	R3	8,268		

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is below 50 (49)
- Price is below the daily pivot point USD 8,087
- Stochastic is overbought
- Technically bearish yesterday, in theory the upside move looked to be countertrend based on the RSI making a new low alongside price on the 04/10. However, the MA on the RSI did suggest that momentum was supported, making USD 8,204 the key resistance to follow. If broken, the probability of the futures traded to a new low would start to decrease, based on the strength of the upside move. The futures moved sideways for the session before moving lower on the Asian open. Price is between the EMA support band with the RSI near neutral at 49, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 8,087 with the RSI at or below 45.5 will mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is aligned to the buyside. 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 7,963 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 with upside moves considered to be countertrend, the futures are moving lower, but the MA on the RSI is suggesting that momentum is still supported, making USD 7,963 the key support level to follow, if broken we target the USD 7,870 fractal low. A move above USD 8,204 would imply that the probability of the futures trading to a new low has started to decrease.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,220	R1	2,235		RSI below 50
S2	2,209	R2			
S3	2,197	R3			

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 daily pivot point USD 2,239
- Another day with little movement in the futures. The continued sideways action had started to make the lower timeframe wave cycle a little harder to read. We had traded to a new low, meaning the minimum requirement for phase/cycle completion on the lower time frame had been met, warning we are vulnerable to a move higher in the near term. However, the downside move looked to have consisted of 5 waves, suggesting upside moves should be considered as countertrend. We remained above the USD 2,220 support, meaning the futures were still considered as bullish with a neutral bias. The futures traded down to but not below the USD 2,220 support yesterday before moving back into the consolidation area. 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 2,239 with the RSI at or below 41 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.
- Technically bullish with a neutral bias, we maintain our view that upside moves look like they could be countertrend. The futures are currently consolidating with the longer period EMA's now flat (starting to cross over to the downside), implying price is neutral at this point.

Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,492.5		RSI below 50
S2	R2			
S3	R3			

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 2,515
- Technically bearish yesterday, the MA on the RSI warned that resistance levels could be vulnerable in the near-term; however, we maintained our view that upside moves look like they could be countertrend based on the 5-wave pattern to the downside. The futures moved lower with price now below the EMA resistance band whilst the RSI has moved back below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,515 with the RSI at or above 48 will mean price and momentum are aligned to the buyside. 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.
- Technically bearish, the futures have breached the USD 2,489 support this morning, warning that the USD 2,461 fractal low is starting to low vulnerable. The MA on the RSI does still suggest that momentum is supported at this point; however, the RSI is now below its averages. If the RSI can stay below its MA then support levels could come under pressure; likewise, if the RSI starts closing above the average then we could see the daily pivot at USD 2,515 be tested.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	18,776	R1	18,815	RSI above 50	Stochastic overbought
S2	18,350	R2			
S3	18,053	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is above 50 (50)
- Stochastic is overbought
- Price is above the daily pivot point USD 18,776
- Technically bearish yesterday, the futures were moving higher on the back of the positive divergence with the RSI; however, we maintained our view that upside moves looked to be countertrend. The futures traded higher but rejected the USD 18,999 resistance on the open, price is between the EMA resistance band with the RSI neutral at 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 18,766 with the RSI at or below 42.5 will mean price and momentum are 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 technical 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. Although we have rejected the USD 18,999 resistance, our wave analysis would suggest that upside moves should still be considered as countertrend, as the pullback from a wave cycle perspective has not been deep enough. The MA on the RSI continues to suggest that momentum is supported at this point, implying caution on downside moves.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,121		RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (42)
- Stochastic is below 50
- Price is below the daily pivot point USD 2,139
- Technically bearish with a neutral bias yesterday, the strength of the upside move meant that the probability of the futures trading to a new low had started to decrease, above USD 2,203 the intraday technical would be bullish. The MA on the RSI continued to suggest that momentum was supported, the RSI was above 50. If price and momentum became aligned to the sell side, then we could see the USD 2,127 support come under pressure, at this point, support would become vulnerable. Having moved higher on the open, the futures traded lower for the remainder of the session. Price is now 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 2,139 with the RSI at or above 50 will mean price and momentum are aligned to the buy side.
- The downside moves yesterday resulted in price and momentum becoming aligned to the sell side. The futures traded below the USD 2,127 support with price coming under pressure again on this morning, the technical is back in bearish territory, meaning the USD 2,102 fractal low is starting to look vulnerable.