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China's consumer inflation rate unexpectedly flatlined in September while producer prices continued to fall, adding to concerns about whether more support is needed to sustain economic growth.

The consumer price index was unchanged last month from a year earlier, the National Bureau of Statistics said Friday, weaker than expectations for a slight increase.

Producer prices fell 2.5% after a 3% decline in August. Factory-gate deflation has persisted for the last year, though it has been easing in recent months.

The flat consumer prices in September were due to a high base of comparison with last year, said Dong Lijuan, chief statistician with the NBS, in a statement accompanying the data. She attributed slower growth in food prices to ample supply before the Golden Week holiday. (Bloomberg)

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Copper headed for a second weekly drop as stronger-than-expected US inflation and rising inventories added to headwinds.

The bellwether metal was trading under its key \$8,000-a-ton threshold on Friday, and is almost 1% lower for the week. The latest read on US consumer prices bolstered bets for more Federal Reserve interest-rate hikes, in a year in which hawkish monetary policy has spurred fears for metals demand (Bloomberg).

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	7,963	R1	8,004	Stochastic oversold	RSI below 50
S2	7,867	R2	8,146		
S3	7,817	R3	8,204		

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (45)
- Price is below the daily pivot point USD 8,004
- Stochastic is oversold
- Technically we remained bearish with upside moves considered as countertrend yesterday. The intraday move in the morning had seen the futures open above the previous days close, resulting in a move higher, suggesting the USD 8,120 resistance could come under pressure in the near-term. If the futures started to close below the daily pivot point, it would warn that the USD 8,001 close from the previous day could be tested. A close on the 4-hour candle below this level would suggest that we could see the USD 7,963 and USD 7,867 support levels come under pressure. The futures traded to a high of USD 8,093.5 before selling to a low of USD 7,959.5 on the open this morning. We are seeing light bid support with price below the EMA resistance band, the RSI is below 50 with price and momentum aligned to the sell side.
- A close on the 4-hour candle above USD 8,004 with the RSI at or above 50 will mean price and momentum are 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.
- Technically we are unchanged, upside moves still look to be countertrend at this point with price breaching support. However, the area is still holding at this point having rejected the downside support on the 09/10. In theory, the wave cycle suggests we need to trade to a new low but there is a bit of support below us that needs to be broken cleanly.

# Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,196	R1	2,200	Stochastic oversold	RSI below 50
S2	2,179	R2			
S3	2,162	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (38)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,208
- Unchanged yesterday, we remained bearish with upside moves considered as countertrend. The lower timeframe technical remained in divergence, warning we had the potential to see a momentum slowdown, which needed to be monitored. We remained a cautious bear, as the futures were vulnerable to a countertrend move higher. The futures have moved lower but remain above the Fibonacci support zone. Price is below all key moving averages with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,208 with the RSI at or above 43 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 2,235 will leave the futures vulnerable to further tests to the downside, above this level the near-term technical will have a neutral bias. Only above USD 2,252 is the technical bullish based on price; however, the Elliott wave cycle remains bearish below USD 2,308 and neutral above.
- We remain bearish with the potential to trade as low as USD 2,162. However, the lower timeframe RSI is still in divergence warning we could see a momentum slowdown, suggesting caution.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,433	R1	2,455	Stochastic oversold	RSI below 50
S2	2,417	R2	2,475		
S3	2,396	R3	2,488		

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (41)
- Stochastic is oversold
- Price is on the daily pivot point USD 2,455
- We remained technically bearish but in divergence yesterday, the RSI on a lower timeframe warned we still had the potential to see a momentum slowdown. Like yesterday, intraday Elliott wave analysis warned we could still see one more move lower with a possible downside target at USD 2,433. A cautious bear still due to the divergence that was in play on the lower timeframe. The futures traded to a low of USD 2,433 on the Asian open before finding light bid support. Price is 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 2,455 with the RSI at or above 44.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,506 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- We have now achieved our downside target; we remain a cautious bear as the futures are still in divergence with the RSI, making USD 2,506 the key resistance to follow.

# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	18,514	R1	18,665		RSI below 50
S2	18,290	R2			
S3	17,916	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is below 50 (49)
- Stochastic is above 50
- Price is on the daily pivot point USD 18,673
- Technically bearish yesterday, we had a note of caution due to the divergence in play, as price was moving higher. Upside moves above USD 18,995 would mean the technical is bullish. The futures traded to a high of USD 18,950 before correcting. Price is trading in the EMA resistance band with the RSI neutral at 50, intraday price and momentum are conflicting as the opening candle closed below the daily pivot point.
- A close on the 4-hour candle below USD 18,673 with the RSI at or below 44 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 18,514 will support a bull argument, below this level the USD 18,290 fractal support will be vulnerable.
- Technically bearish, the strength of the upside moves means we now have a neutral bias, making USD 18,514 the key support to follow. We remain cautious on downside moves due to the divergence that is in play.



# Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,052	R1	2,055	Stochastic oversold	RSI below 50
S2	2,018	R2	2,098		
S3	1,976	R3	2,113		

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (34)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,072
- We remained bearish but in divergence with the RSI yesterday. Price was approaching our downside target, meaning we maintained a cautious view. The futures continued to move lower with price 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 2,072 with the RSI at or above 41 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,133 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, we have had to adjust the Fibonacci projection level a little. Price and momentum indicators are bearish, but we still have the divergence in play on the 4-hour candle, suggesting caution. However, if we see significant downside from here, there is a chance that the divergences on this timeframe and higher could start to fail; if we do, then we are looking at Elliott wave extension. We are cautious, buyt watching to see if we get an extension.