

## China

China's latest economic data put the government's growth goal of about 5% well within reach and lessened the likelihood for more stimulus before the end of 2023. But the ongoing housing crisis remains a serious drag, worsening the outlook heading into next year.

While third-quarter gross domestic product figures released Wednesday surpassed expectations on strong consumer spending, the data points to difficult months ahead for the world's second-largest economy as efforts by President Xi Jinping's government to stabilize the property sector and avert deflation have shown little effect. (Bloomberg).

## Copper

Copper gave up early gains to trade little changed in London, with the market weighing optimism over China's economic growth against concerns about the conflict in the Middle East.

Prices initially rose as much as 1.2% on the London Metal Exchange after government data showed China's economy gained momentum in the third quarter. Gross domestic product rose 4.9% in the period from a year prior, beating economists' estimate of a 4.5% expansion.

But risk appetite waned across financial markets as US President Joe Biden's diplomatic efforts to de-escalate the conflict between Israel and Hamas began to unravel after a deadly blast at a hospital in Gaza. The explosion prompted one of the biggest tests of Biden's presidency, threatening to ignite chaos while he was on the ground in the Middle East. (Bloomberg)

## Pb

Holdings of lead in LME-tracked sheds have ballooned this year to hit the highest level since May 2021. The influx has been consistent, with a climb every month since February, the longest such build in well over a decade. In China, an increase is also evident, with local, exchange-tracked inventories now standing well above the five-year seasonal average. (Bloomberg Markets Live)

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	7,891	R1	8,008		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 8,008
- Stochastic is above 50
- Technically bearish yesterday, the downside move previously had failed to make a new low, making the technical a little less clear, as price was trading above a near-term fractal resistance. The upside move meant that the MA on the RSI was turning higher, warning of momentum support, suggesting resistance levels were starting to look vulnerable. Key resistance was at USD 8,204, a move above this level would mean the probability of the futures trading to a new low would start decrease. The technical was suggesting caution on downside moves. The futures moved lower with price back below the EMA resistance band 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 8,008 with the RSI at or above 49.5 will mean price and momentum are aligned to the buy 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.
- The technical is bearish and the futures have rolled over to the sell side. However, having failed to make a new low and the potential to produce a positive divergence below USD 7,870, we remain cautious on downside moves at this point.

# Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,162	R1	2,184		RSI below 50
S2	2,138	R2			
S3	2,107	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (43)
- Stochastic is overbought
- Price is below the daily pivot point USD 2,188
- The futures were moving higher on the back of a lower timeframe divergence yesterday, warning resistance levels were starting to look vulnerable. The trend was still considered as bearish, if we traded above USD 2,220 the probability of the futures trading to a new low in this phase of the cycle would have started to decrease. We moved sideways alongside the base of the resistance band where we remain this morning. The RSI is below 50 with price and momentum aligned to the buy side, as the previous candle closed above the daily pivot level.
- A close on the 4-hour candle below USD 2,188 with the RSI at or below 37.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,220 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 2,296 and neutral above.
- Unchanged on the Technical, the MA on the RSI would suggest that momentum is supported, whilst the move higher is on the back of a positive divergence with the RSI. However, the Resistance band is holding with the RSI below 50 whilst the stochastic is overbought, warning we could move lower. The momentum conflict means we have a neutral bias this morning.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,396	R1	2,439		RSI below 50
S2	2,371	R2	2,464		
S3	2,349	R3	2,489		

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (43)
- Stochastic is above 50
- Price is below the daily pivot point USD 2,439
- Technically bearish with the Upside move looking like they could be countertrend yesterday, based on our intraday Elliott wave analysis. Upside moves above USD 2,471 would warn that the USD 2,489 resistance could come under pressure, if broken, then the probability of the futures trading to a new low would start to decrease. The futures rejected the USD 2,464 resistance, resulting in price moving lower. We remain 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 2,439 with the RSI at or below 38.5 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.
- Unchanged on the technical, we remain bearish with upside moves considered as countertrend at this point. Key resistance is still at USD 2,489, if broken the probability of the futures trading to a new low will start to decrease.



# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	18,431	R1	18,610		RSI below 50
S2	18,290	R2			
S3	17,816	R3			

**Synopsis - Intraday**

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (48)
- Stochastic is below 50
- Price is on/below the daily pivot point USD 18,615
- We remained technically bearish and cautious on downside moves yesterday due to the divergence that was in play. As noted previously, if we did break to the downside, we would need to see confirmation of an Elliott wave extension, otherwise the move could fail to hold. We traded sideways yesterday but opened lower today; however, we are seeing light bid support. Price is 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 18,615 with the RSI at or below 45 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 bearish, the futures are consolidating at this point. We remain cautious on downside moves due to the divergence in play. Key resistance is at USD 18,995, only above this level is the technical bullish.

# Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,099.5	RSI above 50	
S2	R2			
S3	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is above 50 (50)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,097
- Technically bearish yesterday, the MA on the RSI implied that momentum was supported, warning that the USD 2,125 resistance is vulnerable. However, price was in the EMA resistance band with our intraday Elliott wave analysis suggesting that the move higher is potentially countertrend. For this reason, we were cautious on upside moves at this point. The futures have not moved. We remain in the EMA resistance band with the RSI neutral at 50, intraday price and momentum are aligned at the buy side.
- A close on the 4-hour candle below USD 2,097 with the RSI at or below 47.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,125 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Bearish with upside moves considered as countertrend, the MA on the RSI warns of momentum support, but we remain in the resistance band with the wave cycle implying that we could move lower, for this reason, we remain cautious on upside moves at this point.