

China

The Caixin China General Service PMI rose slightly to 50.4 in October 2023 from September's 9-month low of 50.2, marking the 10th straight month of growth in services activity as Beijing continued its efforts to stabilize the economy.

Foreign sales grew for the second consecutive month due to an easing of travel curbs that attracted more tourists from abroad while employment stabilized after growing in the prior 8 months.

The Caixin China General Composite PMI fell to 50.0 in October 2023 from 50.9 in September, indicating the 10th straight month of growth in private sector activity, the latest figure was the lowest this year. (Bloomberg)

Cu

Copper headed for its highest close since September as industrial metals enjoyed a tailwind from the Federal Reserve's hint that its aggressive tightening cycle may be over.

Metals have advanced with other risk assets since Wednesday, when the Fed held interest rates and Chair Jerome Powell hinted at the prospect of no more hikes. Copper, an economic bellwether, rose on Friday and is up 1.2% so far this week.

High global interest rates have been a powerful constraint for prices of industrial commodities this year, as the push by central banks to quell inflation risks squashing demand. The dollar weakened after the Fed's decision, easing another pressure on metals.

Prices for copper, zinc and aluminum have all advanced in recent weeks, defying downbeat expectations at the industry's major annual gathering in London earlier this month. More steps by China's government to shore up growth in the past week have also aided sentiment.

Copper was up 0.6% at \$8,191 a ton by 11:43 a.m. in Shanghai, and all other base metals on the LME were trading higher. (Bloomberg)

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,165	R1	8,190.5	RSI above 50	Stochastic overbought
S2	8,095	R2			
S3	8,052	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (58)
- Price is above the daily pivot point USD 8,165
- Stochastic is overbought
- Technically bullish yesterday with intraday Elliott wave analysis warning that the USD 8,231 fractal resistance was vulnerable, which in theory could be tested and broken. However, we remained cautious on upside moves, as the daily technical remained in the EMA resistance band. Higher timeframe sellers had sold into intraday buyers previously, resulting in the upside move failing to hold. For this reason, we did not consider the futures a technical buy at these levels. The futures continue to move higher with price above the EMA support band. The RSI is above 50 with intraday price and momentum aligned to the buyside.
- A close on the 4-hour candle below USD 8,165 with the RSI at or below 54.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 8,052 will support a bull argument, below this level the technical will have a neutral bias.
- Technically unchanged, intraday Elliott wave analysis continues to warn that the USD 8,231 fractal resistance could be tested and broken. However, price is still trading within the daily EMA resistance band (we opened within the band with price now just above it) suggesting caution on upside moves. We should also note that a new high will create a negative divergence on a lower timeframe Elliott wave cycle, again suggesting caution on upside breakouts above USD 8,231.

Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,239	RSI above 50	
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (54)
- Stochastic is oversold
- Price is above the daily pivot point USD 2,236
- Technically bullish but in a corrective phase yesterday. The MA on the RSI warned that buy-side momentum was weakening, making USD 2,214 the key support to follow. However, the RSI high on the 30/10 implied that the corrective move lower was potentially countertrend, suggesting caution on downside moves. The futures traded to a low of USD 2,224.5 before finding light bid support. Price is above all key moving averages supported by the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,236 with the RSI at or above 58 will mean price and momentum are aligned to the buy-side; likewise, a close below this level will mean it is aligned to the sell side. Downside moves that hold at or above USD 2,214 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish with intraday Elliott wave analysis suggesting downside move should be considered as countertrend, the MA on the RSI continues to suggest that momentum remains weak at this point. An upside move that fails at or below USD 2,253 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 2,269 fractal high, making this the key resistance to follow. Based on the intraday Wave cycle we continue to be cautious on downside moves.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,467	R1	2,494	RSI above 50	
S2	2,442	R2			
S3	2,400	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (54)
- Stochastic is below 50
- Price is below/on the daily pivot point USD 2,497
- Technically we were bullish yesterday but did not consider the move a technical one as it was on the back of the mine closure. In theory the upside move looked to be countertrend, in reality, the technical was not in play. The futures did sell lower before finding bid support on the Asian open. Price is above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buy side, as the previous candle closed above the daily pivot point.
- A close on the 4-hour candle below USD 2,497 with the RSI at or below 52 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,467 will support a bull argument, below this level the technical will have a neutral bias.
- We remain bullish with the downside move holding above the USD 2,467 support yesterday, the RSI has also found support on its MA. Technically, resistance levels are vulnerable in the near-term; however, we remain cautious at this point as the recent move has been unrelated to the technical. The longer-term Elliott wave cycle does suggest that the upside move is countertrend.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	17,951	R1	18,090	Stochastic oversold	RSI below 50
S2	17,816	R2			
S3	17,698	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (44)
- Stochastic is oversold
- Price is above the daily pivot point USD 17,951
- Technically bearish yesterday, the MA on the RSI continued to suggest that momentum was weak. However, the futures had a positive divergence in play, not a buy signal it did warn that we could see a momentum slowdown. For this reason, we maintained our view that the futures were not considered a technical sell at these levels. Having tested the lows into the close the futures have opened with light bid support. Price is below the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 17,951 with the RSI at or below 46 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 18,393 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Our view is unchanged on the technical, we remain bearish but in divergence with the RSI, meaning we maintain our view that the futures are not considered a technical sell at these levels.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,133.5	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (57)
- Stochastic is oversold
- Price is above the daily pivot point USD 2,121
- The futures remained bearish with a neutral bias yesterday, the EMA band was flat, indicating a lack of trend in the market. In theory, based on the intraday Elliott wave cycle, upside moves were considered as counter-trend; however, the failure to break the USD 2,074.5 level warned that there was buy-side support in the market. If the USD 2,074.5 level was broken, then the technical will be back in bearish territory. Having held the USD 2,074.5 support previously, the futures have continued to move higher yesterday. Price is above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buy-side.
- A close on the 4-hour candle below USD 2,121 with the RSI at or below 50 will mean price and momentum are aligned to the sell side.
- Bearish with a neutral bias, the futures continue to move higher with the MA on the RSI suggesting momentum is supported at this point. However, a move above USD 2,138 has the potential to create a positive divergence with the RSI, not a sell signal, it is a warning that we have the potential to see a momentum slowdown, implying caution on upside breakouts.

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