

## China

China's October price data, showing the CPI lurching back into deflation and the PPI posting a deeper drop, will put more pressure on the People's Bank of China to loosen policy further. This reinforces our view that the PBOC will cut its one-year rate by 10 basis points next week and trim the required reserve ratio by 25 bps by year-end.

The CPI declined 0.2% year on year, following a 0% reading in September. The consensus forecast was for a 0.1% drop. We expected the CPI to rise 0.2%.

On a month-on-month basis, the CPI dropped 0.1%, breaking a three-month string of gains.

The details revealed clear indications of weaker household demand, with prices either posting smaller gains or slipping deeper into deflation.

The CPI deflation was led by a 4.0% drop in food prices from a year earlier, deeper than a 3.2% decline in September. Inflation in service prices and the core CPI slowed from already sluggish readings in September.

The PPI dropped 2.6% from year earlier, more than a 2.5% fall in September and marking a 14th month of declines. The consensus was for a 2.7% drop. We expected a 3.0% fall. On a month-on-month basis, the PPI was unchanged. (Bloomberg)

## Al

Novelis Inc., the largest maker of flat-rolled aluminum products used in everything from cars to soda cans, expects growth across its major businesses in 2024, suggesting the market bottom may have already passed.

Chief Executive Officer Steve Fisher said strength in its automotive and aerospace businesses, along with a recovery in beverage packaging, will drive growth next year, offsetting weakness in the construction industry. The CEO remained cautious over the potential for broader geopolitical and macroeconomic issues to disrupt that outlook.

"Things are helping us feel stable-to-strong from a growth standpoint going into 2024," Fisher said in an interview. "I think we'd see growth in 2024 across the majority of the business segments — the big ones — beverage packaging, automotive and aerospace." (Bloomberg)

## Zn

Zinc rose as investors eyed a tightening supply outlook following a sharp rise in orders for London Metal Exchange inventories.

Futures on the LME settled 1.6% higher on Wednesday at \$2,610 a metric ton on the LME, the highest price since Sept. 29.

The metal has rebounded this month after Trafigura Group's Nyrstar said it would halt output at two US mines due to a slump in prices. Meanwhile, a facility at an eastern Siberian zinc mine run by Russian metals producer Ozernaya Mining Co. caught fire Wednesday, though its spread has been stopped, according to Interfax. Orders to withdraw zinc from exchange-monitored warehouses rose almost 80% this week. (Bloomberg)

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,076	R1 8,147	8,191.5	Stochastic oversold	RSI below 50
S2	8,041	R2 8,216			
S3	8,004	R3 8,265			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (46)
- Price is below the daily pivot point USD 8,147
- Stochastic is oversold
- Technically bullish yesterday, we had a neutral bias due to the depth of the pullback. The breach in the USD 8,138 support warned that the probability of the futures trading to a new high had started to decrease. The upside move on the Asian open previously had tested but failed to trade above the USD 8,216 resistance, warning support levels were starting to look vulnerable. The futures did breach the USD 8,216 resistance but the move failed to hold, resulting in the futures selling back below key support levels. Price is below the EMA support 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 8,147 with the RSI at or above 54.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 8,216 will leave the futures vulnerable to further tests to the downside, above this level the futures could look to test the USD 8,260 fractal high.
- The futures remain bullish with a neutral bias, the RSI is below 50 and making new lows, whilst the MA on the RSI is implying momentum weakness, suggesting upside moves could potentially be counter trend. Support levels are now starting to look vulnerable; a downside moves below USD 8,076 will mean the intraday technical is bearish.

# Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,250	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is between the EMA support band (Black EMA's)
- RSI is below 50 (49)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,268
- Technically bullish yesterday, the futures had held key support but below a key resistance level at USD 2,280. If broken, then we would target the USD 2,295 fractal high. However, a move below USD 2,259 would warn that the probability of the futures trading to a new high had started to decrease. Although bullish, with the futures holding between key support and resistance, we had a neutral bias. As note previously (08/11) the lower timeframe Elliott wave cycle had implied caution on upside moves, we were neutral yesterday as price was holding between key support and resistance levels; however, the futures have moved lower on the Asian open today, resulting in key support being broken, Price is between the EMA support band with the RSI near neutral at 49, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,147 with the RSI at or above 59.5 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 2,277 will leave the futures vulnerable to further tests to the downside.
- Technically bullish but with a neutral bias, the move below USD 2,248 is warning that the probability of the futures trading to a new high has started to decrease. The MA on the RSI also suggests that momentum is weak, warning support levels are vulnerable, making USD 2,277 the key resistance to follow.

# Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,599.5	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 (64)
- Stochastic is overbought
- Price is on/below the daily pivot point USD 2,599
- Technically bullish yesterday, a move above USD 2,589.5 had the potential to create a negative divergence with the RSI, implying caution on upside breakouts. Downside moves below USD 2,541.5 would warn that support levels could come under pressure; however, key support remained unchanged between USD 2,511 – USD 2,467. The futures have traded to a new high, as has the RSI, meaning the divergence has failed. Price is above all key moving averages supported by the RSI above 50, intraday price and momentum are conflicting, as the previous candle closed below the daily pivot level.
- A close on the 4-hour candle below USD 2,601 with the RSI at or below 62 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 2,525 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the divergence failure is warning that downside moves now have the potential to be countertrend, making USD 2,525 the key support to follow, if broken, the probability of the futures trading to a new high will start to decrease. The MA on the RSI has started to flatten a little, warning we could soon see an intraday pullback.

# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	17,580	R1	18,211		RSI below 50
S2	17,291	R2	18,316	18,020	
S3	17,045	R3	18,495		

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (47)
- Stochastic is below 50
- Price is below the daily pivot point USD 18,000
- Technically bearish yesterday. The futures have kept creating positive divergences on new lows before moving lower again. This has resulted in a higher timeframe Elliott wave extension, and multiple divergence failures, meaning upside moves should be considered as countertrend on the daily chart. The 4-hour RSI had just failed the near-term divergence (again), but the longer-term divergence remained in play. We were a cautious bear with key near-term resistance to follow at USD 18,211. The futures did see an intraday move higher but remain below the USD 18,211 resistance. 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 above USD 18,000 with the RSI at or above 49.5 will mean price and momentum are aligned to the buy side. Likewise, a close below this level with the RSI at or below 45 will mean it is aligned to the sell side. Upside moves that fail at or below USD 18,211 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically we remain bearish with the longer-term positive divergence still in play. The futures are still below our key resistance but there has been no significant rejection at this point, only above USD 18,495 is the intraday technical bullish. However, as noted yesterday, upside moves on the daily technical are considered as countertrend at this point, as we have seen an Elliott wave extension to the downside. We remain a cautious bear at this point, if the USD 18,211 resistance is broken then the pullback will be considered as deep into the last bear wave, meaning the probability of the futures trading to a new low will start to decrease.

# Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,184	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 (58)
- Stochastic is overbought
- Price is on the daily pivot point USD 2,190
- Unchanged again yesterday. We remained technically bullish with the intraday Elliott wave cycle suggesting that downside moves look to be countertrend at this point. The futures traded to a high of USD 2,200 before seeing a small move lower on the Asian open. 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 2,190 with the RSI at or above 63.5 will mean price and momentum are aligned to the buy side. Likewise, a close below this level with the RSI at or below 56 will mean it is aligned to the sell side. Downside moves that hold at or above USD 2,116 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, we maintain our view based on intraday Elliott wave analysis that downside moves look like they should countertrend at this point.

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