

U.S

The more traders indulge themselves in the idea of a policy pivot, the harder the Federal Reserve will push back. Which is why any premature rally in Treasuries will be self-defeating until it is clear the US economy is rolling over.

If the message from the Fed meeting earlier this month was that the central bank was done raising interest rates, the markets overdid that notion in the run-up to Chair Jerome Powell's remarks on Thursday. The two-year yield slid below 5%, while the 10-year rate tumbled more than 40 basis points in just a week's time. Talk about volatility.

While Powell remarked at the International Monetary Fund's panel discussion that the US central bank won't hesitate to tighten more if needed, he wasn't signaling a course correction nor woken up to an epiphany. Rather, the idea was that policymakers had the option to do so should inflation pick up again — after all, that's what has happened so far in the second half of the year.

Almost into the last lap of the year, what have we learned about the US economy? We can't take the disinflationary narrative for granted. Gross domestic product growth of almost 5% is, hang on, nothing to quibble about and the labor market is only gradually creeping into balance with supply. Put all that together, and what do you get? A Fed that is still far away from any pivot.

There's a difference — and, as it happens, a pretty huge one — between a Fed on hold, waiting for its policy to work, and a central bank that is about to loosen policy. The more the markets forget that, the harder the Fed's job will be. Which is why the two-year yield has gone right back above 5%. (Bloomberg)

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,080	R1	8,179	Stochastic oversold	RSI below 50
S2	8,041	R2	8,34		
S3	8,004	R3	8,265		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (48)
- Price is above the daily pivot point USD 8,118
- Stochastic is oversold
- The futures remain bullish with a neutral bias yesterday with the RSI below 50 and making new lows, whilst the MA on the RSI implied momentum weakness, suggesting upside moves could potentially be counter trend. Support levels were starting to look vulnerable; a downside moves below USD 8,076 would mean that the intraday technical was bearish. The futures traded to a new low taking the technical into bearish territory. Price is below the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the sell side, as the previous candle closed below the daily pivot level.
- A close on the 4-hour candle above USD 8,118 with the RSI at or above 52 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 8,179 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, an upside move in the afternoon session yesterday has rejected the USD 8,179 resistance, warning support levels are now vulnerable, whilst the MA on the RSI continues to suggest that momentum remains weak. Upside moves above USD 8,165.5 will warn that the USD 8,179 resistance could be tested and broken.

Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,237	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (44)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,245
- Technically bullish but with a neutral bias yesterday, the move below USD 2,248 warned that the probability of the futures trading to a new high had started to decrease. The MA on the RSI also suggested that momentum was weak, warning support levels were vulnerable, making USD 2,277 the key resistance to follow. The futures continued to sell lower with price below the EMA resistance band, the RSI is below 50 whilst intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,245 with the RSI at or above 54 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,273 will leave the futures vulnerable to further tests to the downside.
- Technically bullish with a neutral bias, the MA on the RSI continues to imply that momentum remains weak at this point. We maintain our view that support levels are vulnerable, a move below USD 2,224.5 will take the technical into bearish territory.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,570	R1	2,598	RSI above 50	
S2	2,551	R2	2,631.5		
S3	2,525	R3	2,636		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (61)
- Stochastic is overbought
- Price is below the daily pivot point USD 2,598
- Technically bullish yesterday, the divergence failure warned that downside moves had 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 would start to decrease. The MA on the RSI had started to flatten a little, warning we could soon see an intraday pullback. The futures have seen a very small move lower but remain above the EMA support band. The RSI is above 50 with intraday price and momentum aligned to the sell side.
- A close on the 4-hour candle above USD 2,598 with the RSI at or above 67 will mean price and momentum are aligned to the buyside. 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.
- Unchanged on the technical from yesterday, we remain bullish with downside moves considered as countertrend. Momentum is suggesting that we still need to either move lower or consolidate to confirm the corrective phase. If we move to new high before moving lower/consolidating it will suggest wave extension, meaning downside moves will still be considered as countertrend based on our Elliott wave analysis.

Nickel Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	17,655	Stochastic oversold	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 (40)
- Stochastic is oversold
- Price is below the daily pivot point USD 17,870
- Technically we remained bearish yesterday with the longer-term positive divergence still in play. The futures were still below our key resistance but there had been no significant rejection at that point, only above USD 18,495 was the intraday technical bullish. However, as noted previously, upside moves on the daily technical were considered as countertrend, as we had seen an Elliott wave extension to the downside. We remained a cautious bear, if the USD 18,211 resistance was broken, then the pullback would be considered as deep into the last bear wave, meaning the probability of the futures trading to a new low would start to decrease. The futures rejected the resistance level resulting in price trading to a new low. We remain 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 17,870 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 18,003 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- We remain bearish, the futures are back in divergence, again suggesting caution. A move above USD 18,003 will mean the probability of the futures trading to a new low will start to decrease. Only above USD 18,190 is the intraday technical bullish based on price, making this the key resistance to follow due the repeated failure of upside moves.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,152	R1	2,188	RSI above 50	
S2	2,137	R2	2,200		
S3	2,117	R3	2,214		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (55)
- Stochastic is above 50
- Price is below the daily pivot point USD 2,188
- Technically bullish on the last report, we maintained our view based on intraday Elliott wave analysis that downside moves look like they should countertrend at this point. The futures consolidated yesterday before moving a little lower this morning. We remain above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,188 with the RSI at or above 62.5 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 2,117 will support a bull argument, below this level the technical will have a neutral bias.
- Unchanged on the technical. We remain bullish with intraday Elliott wave analysis implying downside moves look like they should be countertrend,