

China

China's production of crude steel fell to its lowest rate this year in October, after some mills cut output amid thin margins and a still-shaky demand outlook.

Output of the metal used in everything from home-building to bridges fell 1.8% from a year earlier to 79.09 million tons last month, according to the National Bureau of Statistics on Wednesday. That translates to a daily run-rate of 2.55 million tons, the lowest since December 2022, when China was still emerging from its Covid Zero regime of pandemic restraints. (Bloomberg)

Copper

Indian copper demand has "taken off" and is up 10% this year, CRU Group research analyst Craig Lang said.

Demand for the metal from the nation will rise 7.4% annually over the next five years, he said. More copper is needed in India as its economy urbanizes and it pursues decarbonization along with other major economies.

Both ASEAN and India are important growth markets for the metal due to economic expansion, and increased construction and electrification, Lang said. The regions will be responsible for 20% of global refined copper demand growth over the medium-term, and will account for 60% of long-term demand growth, he said. (Bloomberg)

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,222	R1	8,260	RSI above 50	Stochastic overbought
S2	8,208	R2	8,275		
S3	8,184	R3	8,313		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (57)
- Price is above the daily pivot point USD 8,208
- Stochastic is overbought
- Technically bullish based on price yesterday, the futures had breached the USD 8,178 resistance, a level that if held would warn that perhaps there was a larger corrective phase in play. The issue we had was that the downside move consisted of 5 waves, rather than 3 (as highlighted on the chart). This implied that the upside move (despite its strength) looked to be countertrend, warning we had the potential to move lower still, making USD 8,079 the key support to follow. If broken, then the USD 8,020 fractal low had the potential to be tested and broken. We were a cautious bull and did not consider the futures a technical buy, as the price pattern lower implied that the upside move was still potentially countertrend, meaning support levels remained vulnerable. The futures traded down but held above the EMA support band on the back of A Chinese stimulus package, before moving to new highs on the US CPI figures and a weaker dollar. Price is above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 8,208 with the RSI at or below 50 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 8,184 will support a bull argument, below this level the technical will have a neutral bias.
- The technical is bullish, the question is, has the psychological footprint of the market changed on the back of the inflation data? If it hasn't, then the new high yesterday would be known as an irregular top (where the wave B surpasses the high of the wave 5), this is a rare pattern, but we did see one in the Cape futures earlier in the year. If it has changed, then the old cycle has failed, downside moves should be considered as countertrend, and we should in theory trade above the USD 8,275 fractal high from yesterday. The truth is that I do not know at this point. What I can tell you is that the MA on the RSI is suggesting momentum is supported, but the RSI is divergent, warning we are vulnerable to a momentum slowdown, suggesting caution on upside breakouts. If we trade below USD 8,184, then the probability of the futures trading to a new high will start to decrease, whilst a move below USD 8,137.5 will mean the intraday technical is bearish, implying the move yesterday was an irregular top wave B.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,227	R1	2,237		
S2	2,211	R2			
S3	2,203	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA Resistance band (Black EMA's)
- RSI is at 50 (50)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,227
- Technically bearish yesterday, the MA on the RSI was flat, implying sell side momentum is starting to slow down. However, based on the recent low on the RSI and the strength of the downside wave, it implied that we were looking at a bearish impulse move, for this reason we maintained our view that upside moves looked like they would be countertrend. Key resistance was at USD 2,253, a move above this level would warn that the probability of the futures trading to a new low would start to decrease. The futures tested but held above the USD 2,211 support, resulting in a move higher on the momentum slowdown (CPI figs in reality). Price is above the EMA resistance band (the averages are crossing lower) with the RSI neutral at 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,227 with the RSI at or below 52.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,253 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- We remain technically bearish, the RSI has held above its MA support, which is now starting to turn higher, warning sell side momentum continues to slow. Intraday Elliott wave analysis does suggest that upside moves look like they could be countertrend, making USD 2,253 the key resistance to follow. If broken, then the pullback will be considered as deep into the last bear wave, meaning that the probability of the futures trading to a new low will have started to decrease.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,585	R1	2,612.5	RSI above 50	Stochastic overbought
S2	2,563	R2			
S3	2,534.5	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (61)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,585
- We remained bullish but in a corrective phase yesterday. Momentum indicators continued to conflict as the MA on the RSI implied that it was weak; however, the RSI was at 50 with the stochastic in oversold territory, if the RSI held above 50, then we remained vulnerable to a move higher. A move below USD 2,525 would warn that the probability of the futures trading to a new high had started to decrease. The RSI held above 50 with price moving higher in line with the intraday Elliott wave cycle. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,585 with the RSI at or below 51.5 will mean price and momentum are aligned to the sell 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 intraday Elliott wave cycle would suggest that the USD 2,631.5 fractal high could be tested and broken, if it is, then we have further resistance at USD 2,658 and a potential upside target using Fibonacci projection levels at USD 2,687.

Nickel Morning Technical (4-hour)



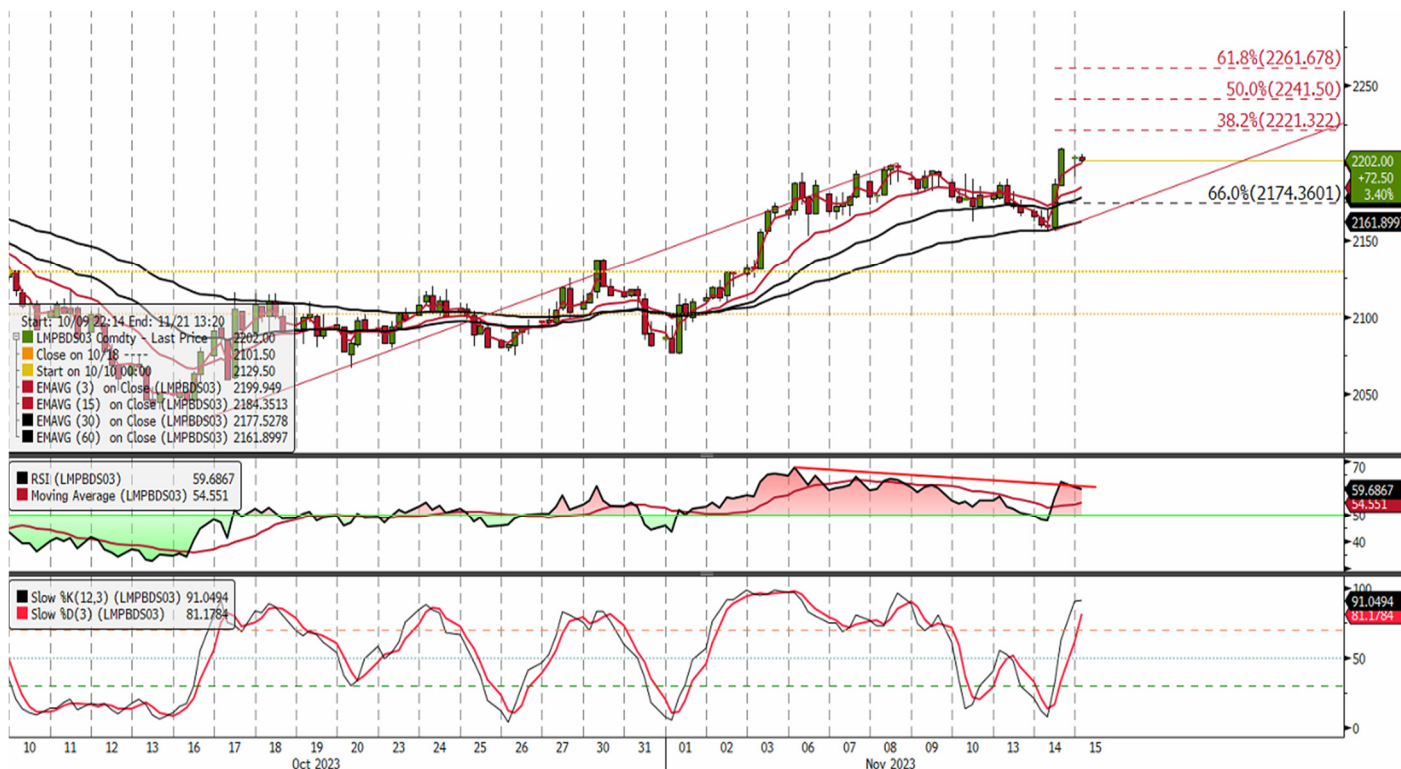
	Support	Resistance	Current Price	Bull	Bear
S1	17,396	R1	17,405		RSI below 50
S2	17,175	R2			
S3	17,045	R3			

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 above/on the daily pivot point USD 17,396
- Technically bearish with upside moves considered as countertrend yesterday. The RSI was above its MA, but the MA implied that momentum remained weak. If the futures traded below USD 17,035 before trading above USD 17,450, it would suggest a lower timeframe Elliott wave extension, meaning we'd maintain our view that upside moves should be considered as against the trend. The futures did move higher before selling off from their highs into the close. Price is below the EMA resistance band with the RSI below 50, intraday price and momentum are still aligned to the buyside.
- A close on the 4-hour candle below USD 17,396 with the RSI at or below 37 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 17,797 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Unchanged on the technical with intraday Elliott wave analysis continuing to suggest that upside moves should be considered as counter trend. The MA on the RSI is turning higher, warning of momentum support, making USD 17,797 the key resistance to follow. If broken, then the pullback into the last bear wave will be considered as deep, meaning that the probability of the futures trading to a new high will start to decrease.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,202	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 (59)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,191
- The futures remained bullish but in a corrective phase yesterday. The MA on the RSI did imply that momentum was weak; however, intraday Elliott wave analysis continued to suggest that downside moves should be considered as countertrend, making USD 2,117 the key support to follow. If broken, mean that the probability of the futures trading to a new high would start to decrease. The futures held support and have now traded to a new high. Price is above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,191 with the RSI at or below 52.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,174 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the futures look to be on an Elliott wave 5 of this phase of the cycle, with a potential upside target as high as USD 2,261 based on wave projection. However, the new high means we now have a negative divergence in play with the RSI (the RSI is not making new highs), not a sell signal it is warning that we have the potential to see a momentum slowdown, this will need to be monitored. Key support is at USD 2,174, if broken, then the probability of the futures trading to a new high will start to decrease.