

China

China Oct. Home Prices -0.38% M/m Vs. -0.3% in Sept.

Compared to Sept.'s -0.30% m/m, National Bureau of Statistics says on its website.

New home prices -0.6% y/y vs -0.6% in Sept.

New home prices rise in 11 cities m/m vs 15 in Sept.

New home prices rise in 23 cities y/y vs 25 in Sept.

Shenzhen new home prices -0.5% m/m; -2.8% y/y

Beijing new home prices -0.4% m/m; +2.1% y/y

Shanghai new home prices +0.2% m/m; +4.4% y/y

Shenzhen existing home prices -0.5% m/m; -1.3% y/y

Beijing existing home prices -1.1% m/m; -0.2% y/y

Shanghai existing home prices -0.8% m/m; -2.3% y/y (Bloomberg)

Copper

The global copper market is sending a clear warning over its shaky prospects for next year, with a closely watched pricing pattern widening further in a sign of ample prompt supply of the bellwether commodity.

Cash metal changed hands at a discount of \$93.25 a ton to the benchmark three-month contract on the London Metal Exchange on Wednesday. That's the widest gap on a closing basis in data going back to the 1990s. The structure, known as contango, indicates there's enough metal to feed immediate demand. (Bloomberg)

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,190	R1	8,255	RSI above 50	Stochastic overbought
S2	8,159	R2	8,293		
S3	8,117	R3	8,351		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (57)
- Price is below the daily pivot point USD 8,255
- Stochastic is overbought
- The technical was bullish yesterday but we questioned whether the psychological footprint of the market changed on the back of the inflation data? If it hadn't, then the new high yesterday would be known as an irregular top (where the wave B surpasses the high of the wave 5), a rare pattern, but we did see one in the Cape futures earlier in the year. If the old cycle had failed, downside moves should have been considered as countertrend, and we should in theory trade above the USD 8,275 fractal high. The truth was that I did not know at that point. What I could tell you was that the MA on the RSI suggested momentum was supported, but the RSI was divergent, warning we were vulnerable to a momentum slowdown, suggesting caution on upside breakouts. If we traded below USD 8,184, then the probability of the futures trading to a new high would start to decrease, whilst a move below USD 8,137.5 would mean the intraday technical was bearish, implying the move yesterday was an irregular top wave B. The futures held above the USD 8,190 support, resulting in price trading to a new high. Price is above all key moving averages supported by the RSI above 50, intraday price and momentum are conflicting as the opening candle closed below the daily pivot level having seen a small sell off on the Asian open.
- A close on the 4-hour candle below USD 8,255 with the RSI at or below 54.5 will mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is aligned to the buyside. Downside moves that hold at or above USD 8,187 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, we have seen a small move lower in the Asian day session, we now have two divergences in play on the RSI. Not a sell signal, they are warning that we could see a momentum slowdown and will need to be monitored. However, the intraday Elliott wave cycle suggests that the previous pullback was not deep enough to be the corrective wave we were looking for, meaning intraday downside moves should be considered as countertrend at this point, as we look to have seen a small wave extension to the upside.

Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,229		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 (47)
- Stochastic is above 50
- Price is below the daily pivot point USD 2,231
- We remained technically bearish yesterday, the RSI had held above its MA support, which was starting to turn higher, warning sell side momentum continued to slow. Intraday Elliott wave analysis did 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. Sideways action yesterday before seeing a small move lower on the Asian open. Price is below the EMA resistance band with the RSI below 50, intraday price and momentum are now conflicting, as the previous candle closed below the daily pivot level.
- A close on the 4-hour candle below USD 2,231 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. 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 with intraday Elliott wave analysis continuing to suggest that upside moves look like they will be countertrend. Key resistance was unchanged at USD 2,253, a move above this level will mean that the probability of the futures trading to a new high will start to decrease. The RSI is now on its moving average, which is starting to flatten, implying buyside momentum is starting to show signs it could be slowing down.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,601	R1	2,605	RSI above 50	Stochastic overbought
S2	2,580	R2			
S3	2,563	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (55)
- Stochastic is overbought
- Price is below the daily pivot point USD 2,634
- Technically bullish yesterday, the intraday Elliott wave cycle suggested that the USD 2,631.5 fractal high could be tested and broken, if it was, then we had further resistance at USD 2,658 and a potential upside target using Fibonacci projection levels at USD 2,687. The futures traded to a high of USD 2,667.5 before entering a corrective phase into the close, and on the Asian open. We remain above the EMA support band with the RSI above 50, intraday price and momentum are now aligned to the sell side.
- A close on the 4-hour candle above USD 2,634 with the RSI at or above 60.5 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 2,580 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish with the futures achieving a new high, we have now entered a corrective phase on the back of a negative divergence with the RSI. Not a sell signal, it is a warning that we have the potential to see a momentum slowdown. Key support is at USD 2,580, a move below this level will indicate a deep pullback into the last bull wave, meaning that the probability of the futures trading to a new high has started to decrease. We still have the potential for one more test to the upside, but are now a cautious bull due to the divergence that is in play.

Nickel Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	17,400		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 (44)
- Stochastic is above 50
- Price is below the daily pivot point USD 17,451
- Unchanged on the technical yesterday with intraday Elliott wave analysis continuing to suggest that upside moves should be considered as countertrend. The MA on the RSI was 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 would be considered as deep, meaning that the probability of the futures trading to a new high would start to decrease. Sideways action yesterday with price seeing a small move lower on the Asian open that has been met with light bid support. 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 17,451 with the RSI at or below 42.5 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. 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.
- We remain bearish with the intraday Elliott wave cycle continuing to suggest that upside moves should be considered as countertrend. The MA on the RSI implies momentum is supported, the move lower on the open has seen the RSI traded below, then back above its moving average; a close on the 4-hour candle below the low of the recent high candle (USD 17,245) will warn that support levels could come under pressure. Key resistance remains unchanged at USD 17,797.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,249	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 (67)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,229
- Technically bullish yesterday, the futures looked 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 meant that we had a negative divergence in play with the RSI (the RSI was not making new highs), not a sell signal it warned that we had the potential to see a momentum slowdown, this needed to be monitored. Key support was at USD 2,174, if broken, then the probability of the futures trading to a new high would start to decrease. The futures have traded to a high of USD 2,251, we remain 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 2,229 with the RSI at or below 57 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,188 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the 4-hour divergence has failed whilst the MA on the RSI continues to suggest that momentum is supported at this point. However, our Elliott wave cycle is on a 246-minute candle, and this is in divergence, as is our lower timeframe RSI. We are now a very cautious on upside moves from here, based on our lower timeframe Elliott wave analysis, as the USD 2,251 has the potential to have signalled cycle completion. If we do trade above the USD 2,251, it will warn that the wave-5 is potentially extending.