

## China

Wages offered to new hires in China declined after two straight quarters of gains, in a sign of a weakening labor market that's exacerbating persisting deflation and weighing on economic growth.

Average monthly salaries offered by companies to new recruits in 38 key Chinese cities fell 0.6% in the third quarter from a year ago to 10,058 yuan (\$1,423), according to data provided by online recruitment platform Zhaopin Ltd. and compiled by Bloomberg. The decrease follows a modest uptick of 2.2% and 0.5% in the first and second quarters, respectively. (Bloomberg).

## Cu

Copper rose from its lowest close in more than two weeks as industrial commodities ticked higher before a keenly anticipated policy briefing by China's government.

Finance Minister Lan Fo'an is due to speak Saturday at a briefing now seen as key to judging the government's commitment to more capital spending. Copper's close on Wednesday was its lowest since Sept. 23, just before Beijing launched a blitz of moves to shore up flagging economic confidence.

Enthusiasm about China's pro-growth pivot has cooled as investors look for clearer signs that the government will roll out policies — such as infrastructure investment — that will boost commodities demand.

"The PBOC's effective support of equity markets could ultimately be beneficial to commodity markets," ANZ Group Holdings analysts including Daniel Hynes said in a note. Stability in the real estate sector and stronger equity markets could see consumer sentiment rebound and bolster domestic confidence enough to lead to an economic rebound and stronger demand for commodities, they added.

Copper rose 0.4% to \$9,711 a ton on the London Metal Exchange at 7:16 a.m. local time. Other industrial metals also gained, with aluminum up 0.5%. In Singapore, iron ore futures were 1% higher to \$105.90 a ton.

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,715	R1	9,945	Stochastic oversold	RSI below 50
S2	9,693	R2	10,090		
S3	9,549	R3	10,158		

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- The RSI below 50 (45)
- Stochastic is oversold
- Price is above the daily pivot point USD 9,715
- Unchanged on the technical yesterday, we remained bullish but in a corrective phase with price testing the USD 9,693 support. The MA on the RSI indicated that momentum remained weak, warning the support zone highlighted previously could come under pressure. However, technically, downside moves had the potential to be limited, implying caution on moves below USD 9,700, as they could struggle to hold. We noted that if we did trade below USD 9,354, then the probability of the futures trading to a new high would start to decrease.
- The futures sold to a low of USD 9,606.5 but the move has failed to hold with price back above the USD 9,700 levels highlighted yesterday. We remain below the EMA support band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 9,715 with the RSI at or below 42 will mean price and momentum are aligned to the sell side; likewise, a close above this level with the RSI at or above 46.5 will mean it is aligned to the buyside. Downside moves that hold at or above USD 9,354 will support a bull argument, below this level the technical will have a neutral bias.
- We remain bullish but in a corrective phase with price holding above lower channel support yesterday. The MA on the RSI is implying that momentum remains weak; however, the RSI is now crossing its average, suggesting momentum could potentially be transitioning to the buyside; Note: although above the average, the RSI is yet to produce a close above it. A close above the upper channel resistance (USD 9,884) will imply that buyside pressure (based on price) is increasing, warning that the USD 9,945 and USD 10,158 resistance levels could be tested and broken. As noted previously, if we do trade below USD 9,354, then the probability of the futures trading to a new high will start to decrease.

# Aluminium Morning Technical (4-hour)



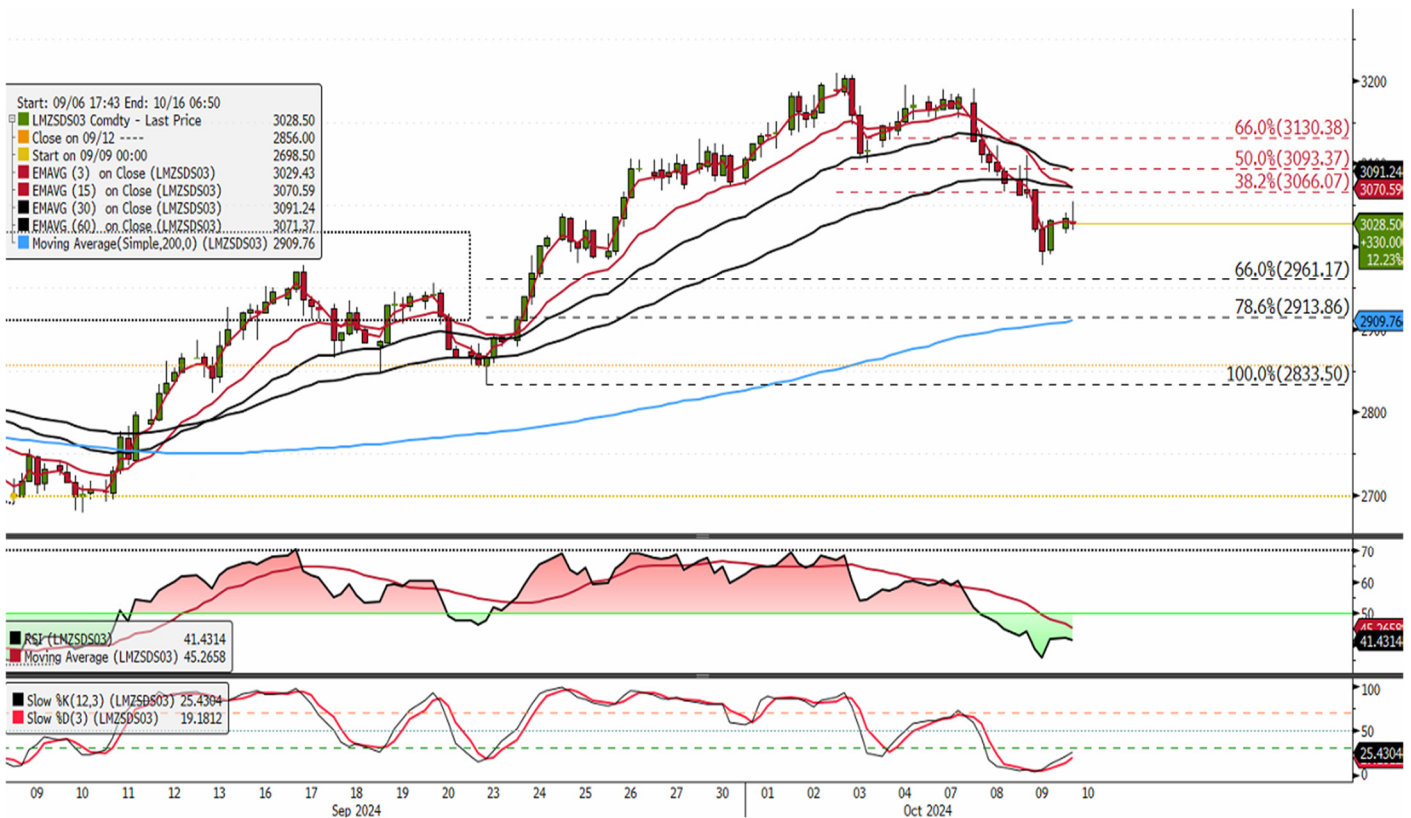
Support	Resistance	Current Price	Bull	Bear
S1	R1	2,567	Stochastic oversold	RSI Below 50
S2	R2			
S3	R3			

Source Bloomberg

## Synopsis - Intraday

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (44)
- Stochastic is oversold
- Price is above the daily pivot point USD 2,543
- Technically bearish yesterday, the MA on the RSI implied that momentum remained weak, suggesting upside moves had the potential to be countertrend. If we did trade above USD 2,640 then the probability of the futures trading to a new low would start to decrease. Likewise, we had a note of caution on downside breakouts below USD 2,537, as faster moving momentum indicators were suggesting they could struggle to hold in the near-term.
- The futures traded to a low of USD 2,505 before finding bid support into the close, we are now back above the USD 2,537 level. Price is below the EMA support band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,543 with the RSI at or above 44.5 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. Upside moves that fail at or below USD 2,629 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the MA on the RSI is implying momentum is weak; however, the RSI is in the process of trying to close above the average, if we do it will warn that momentum is in the process of potential moving to the buy side. Likewise, a rejection of the MA will warn that support levels remain vulnerable. Lower time frame Elliott wave analysis on the correction is warning that upside moves have the potential to be countertrend, making USD 2,629 the key resistance to follow. If we do trade above this level the probability the futures trading to a new low will start to decrease. The obvious note of caution on this correction will be the Chinese policy meeting this weekend, as it could change the psychological footprint of the market.

# Zinc Morning Technical (4-hour)



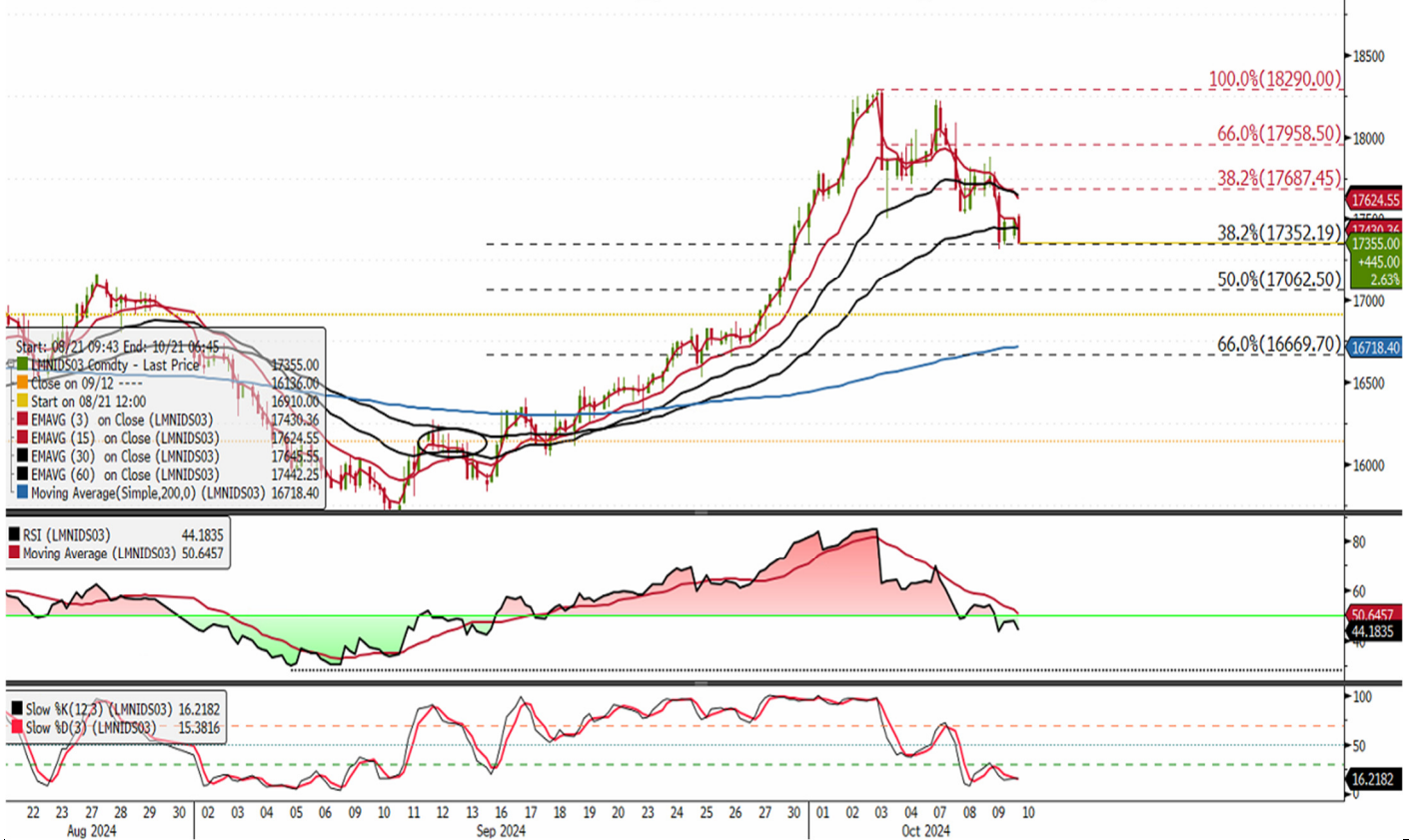
Support	Resistance	Current Price	Bull	Bear
S1	R1	3,028	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Source Bloomberg

## Synopsis - Intraday

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (41)
- Stochastic is oversold
- Price is below the daily pivot point USD 3,039
- Technically bullish but in a corrective phase yesterday, the MA on the RSI indicated that momentum was weak, suggesting that support levels remained vulnerable in the very near-term. We had a 3-wave corrective pattern lower; upside moves that rejected the USD 3,157 resistance would warn that the corrective phase is likely to be more complex, as in the 3-wave pattern is A, of A – B – C. If we traded above the USD 3,157 resistance, it will warn that we are potentially in the Early stages of a bullish impulse Elliott wave 5.
- The futures continued to move lower, suggesting this move is looking more like a wave C on the lower timeframe, rather than a higher timeframe wave A. We remain 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 3,039 with the RSI at or above 47.5 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 2,961 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish but in a corrective wave, the MA on the RSI is implying that momentum remains weak. Our lower timeframe Elliott wave analysis is suggesting that the USD 2,977.5 fractal low remains vulnerable; however, below this level price will be divergent with the RSI, meaning we are cautious on downside breakouts below this level.

# Nickel Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	17,355	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 (43)
- Stochastic is oversold
- Price is below the daily pivot point USD 17,560
- Technically bullish yesterday but in a corrective phase, the MA on the RSI continued to warn that momentum remained weak. As noted previously, our Elliott wave analysis was indicating that downside moves looked like they should be countertrend, making USD 16,669 the key support to follow. If broken, then the probability of the futures trading to a new high would start to decrease; likewise, a rejection of the USD 18,023 level would warn that the corrective phase was likely to be more complex. As noted previously, the futures should in theory trade below the USD 17,505 fractal low, warning that there was still potentially further downside within this corrective phase in the near-term.
- The futures have traded below the USD 17,505 fractal low. 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 17,560 with the RSI at or above 53 will mean price and momentum are to the buy side. Downside moves that hold at or above USD 16,669 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish but in a corrective phase, the MA on the RSI continues to warn that momentum is weak. However, lower timeframe Elliott wave analysis (on the correction), is now divergent, meaning we are now a cautious bear at these levels, as downside moves could struggle to hold.

# Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,056	R1	2,058	Stochastic oversold	RSI below 50
S2	2,021	R2			
S3	1,993	R3			

Source Bloomberg

## Synopsis - Intraday

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (37)
- Stochastic is oversold
- Price is below the daily point USD 2,077
- Technically bearish yesterday, the MA on the RSI is implied that momentum was weak. Faster moving momentum indicators were oversold, warning we could see an intraday move higher; however, our Elliott wave analysis indicated that upside moves should be considered as countertrend, making USD 2,136 the key resistance to follow. If broken, then the probability of the futures trading to a new low would start to decrease; likewise, corrective moves that held at or above USD 2,021 would warn that there is potentially a larger, bullish Elliott wave cycle in play.
- The futures traded to a low of USD 2,047.5 before finding light bid support; however, we are selling lower this morning. 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 2,077 with the RSI at or above 44 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 2,126 will leave the futures vulnerable to further tests to the downside.
- Technically bearish, the MA on the RSI is indicating momentum is weak; however, the RSI will be divergent on downside breakouts below USD 2,047.5, suggesting caution below this level. Our higher timeframe Elliott wave analysis continue to suggest that upside moves look like they could be countertrend, making USD 2,126 the key resistance to follow. A move above this level will warn that the probability of the futures trading to a new low has started to decrease.

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