

## China

Chinese banks are set to trim rates on 300 trillion yuan (\$42.3 trillion) of deposits as soon as this week after the latest barrage of stimulus policies further squeeze their profitability, according to people familiar with the matter.

Major banks including Industrial & Commercial Bank of China Ltd. and China Construction Bank Corp. will be guided by the central bank's interest rate self-disciplinary mechanism to lower the rates on a number of deposit products, said the people, who asked not to be identified discussing a private matter.

Rates on one-year time deposit may drop by at least 20 basis points, while those on longer tenors may come down at least 25 basis points, the people said. The plans have yet to be finalized, they said.

The cuts would mark the second such reduction this year, following the previous round in late July. The People's Bank of China didn't immediately respond to a request for a comment (Bloomberg).

## Cu

Base metals joined a selloff across Chinese risk assets on doubts over how much impact the government's pro-growth push will have on demand.

Copper, aluminum and zinc all fell by more 1% on the London Metal Exchange, as sentiment across China's financial markets turned sour again. Copper is heading for its lowest close since Sept. 23, before Beijing unveiled a flurry of measures aimed at boosting the economy.

The past few weeks have witnessed volatile trading across commodities as investors weigh the Asian nation's vows to reboot growth against weaker economic data and calls for more powerful stimulus. Chinese stocks and currency also weakened on Tuesday.

Copper was down 0.9% at \$9,570 a ton by 2:52 p.m. Shanghai time, while aluminum dropped 1.2% and zinc fell 1.3%. (Bloomberg)

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,549	R1	9,585	Stochastic oversold	RSI below 50
S2	9,460	R2			
S3	9,354	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- The RSI below 50 (38)
- Stochastic is oversold
- Price is above the daily pivot point USD 9,686
- Technically bullish yesterday, the futures remained in a corrective phase, the MA on the RSI indicated that momentum was supported. We noted that a close above the upper channel resistance (USD 9,782) would indicate that buy-side pressure was increasing, warning the USD 9,945 and USD 10,158 resistance levels could be tested and broken. Likewise, a rejection of the resistance would leave support levels vulnerable. As noted previously, 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 rejected the upper resistance channel resulting in a move below the USD 9,606.5 fractal support. We are below the EMA resistance 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 9,686 with the RSI at or above 47 will mean price and momentum are aligned to the buy-side. 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.
- Technically bullish, the futures remain in a corrective phase, the MA on the RSI is indicating that momentum is supported. Having rejected the upper resistance channel, the RSI has now moved below its MA, implying momentum is weakening. Countering this, the RSI is in divergence with price, warning we have the potential to see a momentum slowdown, indicating caution on moves lower at this point. Our intraday Elliott wave analysis is suggesting that downside moves should in theory be countertrend, making USD 9,354 the key support to follow. If we trade below this level, then the probability of the futures trading at a new high will start to decrease. Market sellers will now be targeting the 200-period MA (USD 9,481), and the lower channel support (USD 9,460); however, we have a note of caution on moves lower due to the divergence, which will need to be monitored.

# Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,565.5	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 below the daily pivot point USD 2,606
- Technically bearish with a neutral bias yesterday, the MA on the RSI implied that momentum was supported. The move above USD 2,629 meant that the probability of the futures trading to a new low had started to decrease; however, our intraday Elliott wave analysis suggested that upside moves looked to be countertrend. The conflict meant we were now neutral due to the lack of directional bias.
- The futures are selling lower in line with the Elliott wave cycle; however, we remain above the USD 2,558 support at this point. We are 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 2,606 with the RSI at or above 53.5 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 2,558 will support a near-term bull argument, below this level the futures will be back in bearish territory.
- Bearish with a neutral bias, the technical condition is weakening as price and momentum are now aligned to the sell side. However, key support to follow it at USD 2,558, if broken the futures are back in bearish territory, warning that the USD 2,505.5 fractal support could be tested and broken. Likewise, if support holds, then markets sellers need to remain cautious as the futures are at an inflection point.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,039	R1	3,092		RSI below 50
S2	2,961	R2	3,130		
S3	2,913	R3	3,066		

Source Bloomberg

## Synopsis - Intraday

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (44)
- Stochastic is below 50
- Price is below the daily pivot point USD 3,092
- Technically bullish yesterday, the move above USD 3,130 warned that we could be in the early stages of a bullish Elliott impulse wave 5. The MA on the RSI implied that we had light momentum support. However, the gap lower on the open warned of near-term weakness, warning support levels remained vulnerable. We noted that focus should be on the EMA support band and the MA on the RSI, as these would need to hold to avoid a corrective move lower.
- The gap lower on the open yesterday did result in the futures trading below the EMA support band with the RSI breaking below its average. The RSI is now below 50 with intraday price and momentum aligned to the sell side.
- A close on the 4-hour candle above USD 3,092 with the RSI at or above 53 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, the futures are now testing the USD 3,039 support, if we hold, then we still have the potential to move higher in the near-term, if broken, then it will warn that the Elliott wave cycle is becoming more complex, leaving the USD 2,977.5 fractal support, and the USD 2,961 Fibonacci support vulnerable. If the secondary support is broken, then the probability of the futures trading to a new high will start to decrease, warning that there is a higher probability that the bullish Elliott wave cycle could fail.



# Nickel Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	17,425		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 (45)
- Stochastic is below 50
- Price is below the daily pivot point USD 17,665
- Technically bullish yesterday, the rejection of key resistance warned that the corrective phase had the potential to become more complex. The MA on the RSI implied that we had light momentum support; however, the RSI was testing its MA support. The futures were trading on the top of the EMA support, market buyers would want to see the band hold; if it did, it would warn that the USD 17,958 resistance remained vulnerable. A close below the band would mean price and momentum were probably aligned to the sell side, meaning support levels could come under pressure in the near-term.
- The futures sold lower on the back of the upside rejection, resulting in price moving below the EMA support band, the RSI is below 50 with intraday price and momentum aligned to the sell side.
- A close on the 4-hour candle above USD 17,665 with the RSI at or above 53.5 will mean price and momentum are aligned 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 the futures remain in a corrective phase in what looks to be a countertrend Elliott wave 4 lower. The MA on the RSI is flat; however, the average has acted as a resistance to the RSI, implying momentum is weakening. Downside moves below USD 17,305 will warn that the USD 17,062 Fibonacci support could come under pressure in the near-term.

# Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,021	R1	2,039.5	Stochastic oversold	RSI below 50
S2	1,993	R2			
S3	1,946	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (38)
- Stochastic is oversold
- Price is below the daily point USD 2,071
- Technically bearish yesterday, the rejection of the USD 2,125 resistance warned that the USD 2,045.5 support could be tested and broken, making USD 2,021 the key support to follow. If broken, then the USD 1,993 and USD 1,946 support levels would start to look vulnerable.
- The futures have sold below the USD 2,045.5 support, meaning the USD 2,021 level is in focus. We are below the EMA resistance 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 2,071 with the RSI at or above 46 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,078 will leave the futures vulnerable to further tests to the downside. Likewise, downside moves that hold at or above USD 2,021 will warn that there is potentially a larger bullish Elliott wave cycle in play.
- Technically bearish, the move below the USD 2,045.5 fractal support means that price is in divergence with the RSI. Not a buy signal, it is a warning that we have the potential to see a momentum slowdown, which will need to be monitored. USD 2,021 is the key level to follow, if broken, then the probability of the futures trading above the USD 2,167 fractal high will start to decrease. We are a cautious bear whilst there is a divergence in play.