

Metals

Copper, aluminum and other base metals climbed as the dollar weakened ahead of the US presidential election, and on the prospect for more stimulus measures from Chinese authorities.

A gauge of the US currency fell as investors walked back bets on Donald Trump winning the election, with the latest polls indicating Kamala Harris was gaining ground. A weaker dollar makes commodities cheaper for many buyers.

Metals and iron ore also advanced — along with Chinese stocks — as investors wait to see if a meeting of the executive body of the nation's top legislature this week will unlock any additional resources to support the economy. Most base metals posted losses last month as initial optimism over the country's efforts to spur growth turned to doubts over their effectiveness.

Copper rose 1.3% to \$9,690 a ton on the London Metal Exchange as of 7:36 a.m. local time. Aluminum climbed 0.4% to \$2,611.50 and nickel advanced 0.5%.

BMI, a Fitch Solutions company, raised its average aluminum price forecast for this year by 2% to \$2,450 a ton, citing supply concerns, China's stimulus efforts and Federal Reserve rate cuts.

Meanwhile, iron ore futures rose 1.8% to \$103.95 in Singapore, following a 1.5% drop on Friday. (Bloomberg)

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,577	R1	9,639	RSI above 50	
S2	9,435.5	R2			
S3	9,354	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- The RSI above 50 (55)
- Stochastic is above 50
- Price is above the daily pivot point USD 9,577
- Technically bullish on the last report, we noted that the term, closed above the resistance line was not accurate. We remained in consolidation with price drifting through the end of symmetrical triangle, which I regarded as more of a pattern failure. Bullish, but consolidating, meaning we are neutral. If we saw the intraday 4-hour close above USD 9,667, it would warn that the USD 9,758 fractal resistance could come under pressure.
- Sideways action on Thursday and Friday, the futures are now moving higher with price approaching the USD 9,667 fractal resistance. Price is above all key moving averages with the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 9,577 with the RSI at or below 47.5 will mean price and momentum are aligned to the sell 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. Conversely, upside moves that fail at or below 9,887 will warn that there could be a larger bearish Elliott wave cycle in play.
- Technically bullish, the MA on the RSI is implying that we have light momentum support. Intraday Elliott wave analysis continues to warn that downside moves look to be countertrend, making USD 9,354 the key support to follow. If broken, then the probability of the futures trading to a new high will start to decrease. The futures are testing the USD 9,667 resistance, if we trade above and close above this level it will warn that the USD 9,758 fractal resistance could be tested and broken. Price action is starting to turn bullish; however, we still need to see a close above that holds above USD 9,758 for bullish confirmation. Focus should be on the USD basket, as the move higher today is driven by a weaker dollar due to a partial unwind of a so called 'Trump Trade' (Bloomberg).

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	2,612	R1	2,621.5		RSI below 50	
S2	2,601	R2				2,669
S3	2,579	R3				2,686
					2,715	

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (48)
- Stochastic is below 50
- Price is above the daily pivot point USD 2,612
- As highlighted on Thursday, we maintained a neutral view on the futures as the upside move had been against our Elliott wave cycle, whilst I could not see the wave extension using the methodology that I use. However, we maintained a cautious view on upside moves as the daily technical was in divergence, suggesting upside breakouts could struggle to hold.
- Sideways action on Thursday, the futures sold to new lows on Friday, resulting in key support being broken; however, we have opened today with light bid support due to a weakening USD. We are below the EMA support band with the RSI below 50, intraday price and momentum is aligned to the sell side, as the previous candle close was below the daily pivot level whilst the RSI was below its MA.
- A close on the 4-hour candle above USD 2,612 with the RSI at or above 50 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 2,669 will leave the futures vulnerable to further tests to the downside, above this level the technical will be back in bullish territory.
- Technically bullish, the downside move below USD 2,601 on Friday means that we now have a neutral bias, implying that the probability of the futures trading to a new high has started to decrease. Upside moves that close above the high of the last dominant bear candle (USD 2,654) will indicate that buy side pressure is increasing, warning the USD 2,694 fractal high could be tested and broken. However, as noted previously, at this point, the Elliott wave cycle looked to us like it had already completed and does not currently support the recent move higher; meaning we maintain a cautious view on upside breakouts above USD 2,694, as the daily chart will still be in divergence.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,060	R1	3,149	3,090	
S2	2,977	R2	3,192		
S3	2,955	R3	3,2226		

Source Bloomberg

Synopsis - Intraday

- Price is between the EMA resistance band (Black EMA's)
- RSI is at 50 (50)
- Stochastic is below 50
- Price is above the daily pivot point USD 3,060
- Technically bullish but with a neutral bias due to the depth of the pullback on Thursday. the MA on the RSI was flat whilst the RSI was at 50, both suggested that momentum was neutral. As noted previously, we remained cautious on upside moves due to the pullback and daily rejection candle.
- The futures traded to a low of USD 3,015.5 on Thursday before finding light bid support. We are trading between the EMA resistance band with the RSI neutral at 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 3,060 with the RSI at or below 48 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below 3,192 will leave the futures vulnerable to further tests to the downside, above this level the technical will be back in bullish territory.
- Technically bullish with a neutral bias, the probability of the futures trading to a new high has started to decrease. The MA on the RSI is flat whilst the RSI is at 50, implying momentum is neutral; however, the futures have held the 200-period MA support (USD 3,029), resulting in price and momentum becoming aligned to the buyside. Based on the depth of the pullback, our Elliott wave analysis is suggesting we should have a note of caution on moves higher, as they could struggle to hold.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	15,939	R1	16,070		RSI below 50
S2	15,714	R2			
S3	15,502	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is below 50 (48)
- Stochastic is overbought
- Price is above the daily pivot point USD 15,939
- Technically bearish on Thursday, the futures were in divergence with the RSI, whilst the RSI was above its MA, meaning we remained cautious on downside moves. Elliott wave analysis indicated that upside moves look like they could be countertrend, making USD 17,220 the key resistance to follow. From a technical perspective, the futures were not considered a sell, as momentum warned that we could move higher.
- Having traded to a low of USD 15,705 the futures are now finding light bid support due to the divergence. Price is between the EMA resistance band with the RSI below 50, intraday price and momentum are now aligned to the buyside.
- A close on the 4-hour candle below USD 15,939 with the RSI at or below 37.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below 17,186 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 indicating that momentum is supported. The futures are moving higher due to a positive divergence with the RSI; however, our intraday Elliott wave analysis is indicating upside moves should in theory be countertrend, making USD 17,186 the key resistance to follow. Upside moves above this level will warn that the probability of the futures trading to a new low has started to decrease.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,058.5	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (55)
- Stochastic is overbought
- Price is above the daily point USD 2,051
- Bullish with a neutral bias on Thursday, the MA on the RSI was flat, implying momentum was neutral. We maintained our view that upside moves looked like they could be countertrend. However, we had a note of caution on downside breakouts below USD 1,996, as this would create a positive divergence with the RSI. Not a buy signal, it warned that we could see a momentum slowdown, which needed to be monitored.
- The futures traded to a low of USD 1,993 before moving higher on the back of the divergence. 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 2,051 with the RSI at or below 45 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,070 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 that momentum is supported; however, the upside move to USD 2,070.5 on the open has created a minor negative divergence with the RSI, warning buyside momentum could slow down. If we do trade above USD 2,070.55 (note this is the exact unrounded Fibonacci level, we are using this as the futures have traded above USD 2,070 but not above USD 2,070.55), then the probability of the futures trading to a new low will start to decrease. With the divergence in play, the technical is suggesting caution on upside moves at this point.

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