

Copper

(Bloomberg) -- Copper rose for a third day on positive Chinese economic data and hopes Beijing will unveil more economic support measures.

The industrial metal has rallied more than 2% since the close on Thursday. China's services activity expanded last month at the fastest pace since July, following better-than-expected indicators from official and private factory gauges last week. Taken together, the reports suggest that recent stimulus measures may be having some impact.

The Chinese government is also widely expected to outline more steps to aid the economy when the National People's Congress' Standing Committee meets this week. Senior officials have been dropping hints of a major announcement, according to Bloomberg Economics.

Metals including copper fell last month as initial optimism over China's efforts to spur growth turned into doubts over their effectiveness. The market will be watching the closely fought US election on Tuesday, with results starting to come through the following day in Asia.

Copper has rallied on election day in nine of the 10 previous cycles, Citigroup Inc. said in a note dated Nov. 4. The metal could rise temporarily to \$10,000 a ton over the coming week on Chinese and US monetary easing, a risk-on tone for stocks if Donald Trump wins, or a reduction in tariff fears if Kamala Harris is victorious, it said.

Copper rose 0.4% to \$9,730.50 a ton on the London Metal Exchange as of 11:27 a.m. in Shanghai. Aluminum climbed 0.5% to \$2,633 after figures from Shanghai Metals Market showed Chinese inventories fell to the lowest level since February.

Iron ore futures, meanwhile, advanced 1.7% to \$105.70 a ton on the Singapore exchange following a similar gain on Monday.

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,665	R1	9,713	RSI above 50	Stochastic overbought
S2	9,615	R2			
S3	9,491.5	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- The RSI above 50 (57)
- Stochastic is overbought
- Price is above the daily pivot point USD 9,665
- Technically bullish yesterday, the MA on the RSI implied that we had light momentum support. Intraday Elliott wave analysis continued to warn that downside moves looked 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 would start to decrease. The futures were testing the USD 9,667 resistance, if we traded above and closed above this level it would warn that the USD 9,758 fractal resistance could be tested and broken. Price action was starting to turn bullish; however, we still needed to see a close above that holds above USD 9,758 for bullish confirmation. We noted that focus should be on the USD basket, as the move higher yesterday was driven by a weaker dollar due to a partial unwind of a so called 'Trump Trade' (Bloomberg).
- The futures have traded to a high of USD 9,659; however, we are yet to close above the fractal resistance. 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 9,665 with the RSI at or below 51 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 momentum is supported. Near-term price action is bullish; however, we still need to see an intraday 4-hour close above that holds above the UD 9,758 fractal resistance. If we do, then we have a near-term upside target of USD 9,887, above this level will suggest we are possibly in the bullish impulse Elliott wave 5. Likewise, a close below the low of the last dominant bull candle (USD 9,659) will target the weekly pivot level at USD 9,615.

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			
S3	2,579	R3			

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is at 50 (50)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,615
- Technically bullish yesterday, the downside move below USD 2,601 on Friday meant that we now had a neutral bias, implying that the probability of the futures trading to a new high had started to decrease. We noted that upside moves that close above the high of the last dominant bear candle (USD 2,654) would indicate that buy-side pressure is increasing, warning the USD 2,694 fractal high could be tested and broken. However, as noted previously, the Elliott wave cycle looked to us like it had already completed and did not currently support the recent move higher; meaning we maintained a cautious view on upside breakouts above USD 2,694, as the daily chart would still be in divergence.
- Sideways action yesterday, we have seen a small move higher in the Asian day session; however, we are yet to close above the USD 2,654 level. Price is above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buy-side.
- A close on the 4-hour candle below USD 2,615 with the RSI at or below 46 will mean price and momentum are aligned to the sell 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.
- Unchanged on the technical today, we remain bullish with a neutral bias, meaning the probability of the futures trading to a new high has started to decrease. As highlighted yesterday, a 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, the Elliott wave cycle looks like it has 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	3,051	R1	3,149	3,064	RSI below 50
S2	3,030	R2	3,192		
S3	2,977.5	R3	3,2226		

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (47)
- Stochastic is below 50
- Price is above the daily pivot point USD 3,060
- Technically bullish with a neutral bias yesterday, the probability of the futures trading to a new high had started to decrease. The MA on the RSI was flat whilst the RSI was at 50, implying momentum was neutral; however, the futures had 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 suggested that we should have a note of caution on moves higher, as they could struggle to hold.
- The upside move failed to hold yesterday, resulting in price selling lower for the remainder of the session. However, we have held the 200-period MA support again (USD 3,030), meaning we have seen bid support in the Asian day session. We are below the EMA resistance band with the RSI below 50, intraday price and momentum are conflicting, as the previous candle closed below the daily pivot level.
- A close on the 4-hour candle above USD 3,051 with the RSI at or above 47.5 will mean price and momentum are aligned to the buyside. Likewise, a close below this level with the RSI at or below 43 will mean it is 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.
- Unchanged on the technical again today. We remain bullish with price holding above the 200-period MA, implying that there is an underlying support in the market. However, as noted previously, we have a note of caution on moves higher due to the depth of the recent pullback.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	16,024	R1	16,150	RSI above 50	Stochastic overbought
S2	15,714	R2			
S3	15,502	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is above 50 (51)
- Stochastic is overbought
- Price is above the daily pivot point USD 16,024
- Technically bearish yesterday, the MA on the RSI indicated that momentum was supported. The futures were moving higher due to a positive divergence with the RSI; however, our intraday Elliott wave analysis indicated that upside moves should in theory be countertrend, making USD 17,186 the key resistance to follow. A move above this level would warn that the probability of the futures trading to a new low had started to decrease.
- The futures have seen a small move higher; however, we remain in the EMA resistance band with the RSI near-neutral at 51, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 16,024 with the RSI at or below 42.5 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 futures continue to move higher due to the positive divergence with the RSI. The MA on the RSI is indicating that momentum is supported; however, as noted previously, our intraday Elliott wave analysis continues to suggest that upside moves look like they could be countertrend. A close below the low of the last dominant bull candle (currently USD 15,990) will warn that sell side sentiment is increasing; warning support levels could come under pressure.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,031	R1	2,040		
S2	2,019	R2			
S3	2,009	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is at 50 (50)
- Stochastic is above 50
- Price is below the daily point USD 2,044
- Technically bearish yesterday, the MA on the RSI implied that momentum was supported; however, the upside move to a high of USD 2,070.5 on the open had created a minor negative divergence with the RSI, warning buyside momentum could slow down. If we did trade above USD 2,070.55 (we noted that this was the exact unrounded Fibonacci level, we were using this as the futures had traded above USD 2,070 but not above USD 2,070.55), then the probability of the futures trading to a new low would start to decrease. With the divergence in play, the technical suggested caution on upside.
- The futures sold lower for the remainder of the session. We are now between the EMA resistance band with the RSI neutral at 49, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,044 with the RSI at or above 54.5 will mean price and momentum are aligned to the buyside. 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 indicating that momentum is supported; however, the RSI is now below the average, warning momentum could be transitioning to the sell side. The upside rejection candle on the daily chart yesterday is implying that support levels are vulnerable. A close below USD 2,037 on the daily chart will warn that sell side pressure is increasing.

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