

China

(Bloomberg) -- China's economy showed encouraging signs as retail sales grew at the strongest pace in eight months, indicating Beijing's recent stimulus efforts have boosted some key sectors.

Retail sales increased 4.8% in October from a year ago, the strongest growth since February and exceeding all estimates in a Bloomberg survey. Industrial output rose 5.3%, lower than forecast.

The strength in retail spending represents improvement in a part of the economy that has struggled with sluggish sentiment and trailed growth in production, which has long benefited from Beijing's manufacturing-focused policy support.

Metals

(Bloomberg) -- Copper is heading for its longest run of weekly losses in more than half a decade, as base metals suffer steep declines on a strong dollar and lingering concerns over Chinese demand.

While copper ticked higher on Friday, it has drifted lower since late-September and is poised for its seventh consecutive weekly fall. Prior to the US presidential election, worries about China's economy were a major driver. The greenback's spike since Donald Trump's victory has added to headwinds.

"We expect industrial metal prices to remain highly sensitive to any stimulus announcements from mainland China, with market sentiment tilted towards further support in an anticipation of renewed trade tensions with China under a second Trump presidency," BMI, a Fitch Solutions company, wrote in an emailed note.

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	8,864	R1	9,022.5		RSI below 50	
S2	8,783	R2				9,324
S3	8,698	R3				9,470

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- The RSI below 50 (36)
- Stochastic is below 50
- Price is below the daily pivot point USD 8,965
- Technically bearish yesterday, the MA on the RSI continued to suggest that momentum remained weak. Faster moving oscillators were oversold, warning that we were overextended to the downside, meaning we could see an intraday move higher. However, higher timeframe Elliott wave analysis implied that upside moves looked like they could be countertrend, making USD 9,489 the key resistance to follow. A move above this level would warn that the probability of the futures trading to a new low would start to decrease. If we continued to come under pressure and move lower, then the lower timeframe Elliott wave cycle would become vulnerable to further extensions within the existing cycle. Based on the oversold momentum, the technical suggested caution on moves lower.
- The futures sold to a low of USD 8,867 before holding held Fibonacci support, resulting in price moving higher. We remain below the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 8,965 with the RSI at or below 30.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 9,470 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, price has moved higher on the oversold momentum, the MA on the RSI is implying that we have light momentum support. Elliott wave analysis suggests that upside moves look to be countertrend, making USD 9,470 the key resistance to follow, a move above this level will warn that the probability of the futures trading to a new low will start to decrease.

Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,533		RSI below 50
S2	R2			
S3	R3			

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (41)
- Stochastic is at 50
- Price is above the daily pivot point USD 2,521
- Technically bearish yesterday, the MA on the RSI continued to flatten, warning sell side momentum could slowdown. Although the divergence had failed, the 1-hour RSI was still divergent, again signalling sell side momentum could slow. The futures were testing the USD 2,505 fractal support, we noted that if broken we would target the USD 2,464 level. Elliott wave analysis suggested that upside moves look to be countertrend, making USD 2,656 the key resistance to follow. Above this level the probability of the futures trading to a new low would start to decrease. Due to the lower timeframe divergence, the technical suggested caution on downside moves at these levels, as we were starting to look vulnerable to an intraday pullback.
- We sold to a low of USD 2,485 before moving higher on the back of the lower timeframe divergence. We remain below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,521 with the RSI at or below 36 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,648 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Likewise, downside moves that hold at to above USD 2,464 will warn that there could be a larger, bullish wave cycle in play.
- Technically bearish, the MA on the RSI is flat, implying momentum is neutral. We closed lower yesterday having seen both upside and downside rejection, implying we are seeing indecision in the market, warning sell side momentum is slowing. However, our Elliott wave analysis continues to suggest that upside moves look like they could be countertrend, meaning we are cautious on moves higher at this point.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,926	R1	2,979		
S2	2,870	R2	3,015		RSI below 50
S3	2,810	R3	3,043		

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (46)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,926
- Technically bearish yesterday, the MA on the RSI was flat, implying sell side momentum could slowdown. Below USD 2,905 the futures would target the USD 2,889 – USD 2,870 support zone in the near-term; however, downside breakouts would be in divergence with the RSI, not a buy signal, it warns we could see a momentum slowdown. we noted that the move lower on the open warned that that we could be seeing an Elliott wave extension to the downside on the lower timeframe, suggesting upside move have the potential to be countertrend. Due to the divergence, we have a note of caution below USD 2,905.
- The futures traded to a low of USD 2,867.5, held support before moving higher. We are above all key moving averages with the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,926 with the RSI at or below 39.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below 3,015 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 we have light momentum support. It does not look like we have seen an Elliott wave extension to the downside at this point, implying caution on moves lower. If, however, an upside move rejects the USD 3,015 resistance, it will warn that there could be a larger bearish wave cycle coming into play. Due to the downside rejection candle on the daily chart, we now have a note of caution on moves lower.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	15,565	R1	15,570	Stochastic oversold	RSI below 50
S2	15,300	R2			
S3	14,924	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (35)
- Stochastic is oversold
- Price is below the daily pivot point USD 15,679
- Technically bearish yesterday, the move lower into the close resulted in the 1-hour divergence failing, warning that the USD 15,705 fractal low will be tested and broken. If it is, Fibonacci projection levels suggested that we have the potential to trade as low as USD 15,300; however, downside breakouts will create a positive divergence with the RSI on the 4-hour timeframe, warning sell side momentum could slow down, which will need to be monitored.
- The futures have traded lower, meaning price is in divergence with the RSI. We are below all key moving averages with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 15,679 with the RSI at or above 40.5 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below 16,304 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, our Elliott wave analysis is suggesting that we have a potential downside target as low as USD 15,300. However, price is now in divergence with the RSI, not a buy signal, it is a warning that we could see a momentum slowdown, which will need to be monitored.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	1,962	Stochastic oversold	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 (32)
- Stochastic is oversold
- Price is below the daily point USD 1,975
- Technically bearish yesterday, the MA on the RSI implied that momentum remained weak. Our intraday Elliott wave analysis is suggesting upside moves look like they could be countertrend, making USD 2,041 the key resistance to follow. A move above this level would warn that the probability of the futures trading to a new low would start to decrease.
- The futures continue to sell lower with price remaining below all key moving averages, the RSI is below 50 whilst price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 1,975 with the RSI at or above 35 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,032 will leave the futures vulnerable to further tests to the downside.
- Technically bearish, the MA on the RSI is indicating momentum is weak, whilst our intraday Elliott wave analysis is suggesting that upside moves should be considered as countertrend, making USD 2,032 the key resistance to follow. Above this level the probability of the futures trading to a new high low start to decrease. The downside move on the open, failed to make a new low by 50 cents, if it had, the 1-hour RSI would have been in divergence. Due to the potential divergence on a downside breakout, we are now cautious on downside moves in the near-term, as they could struggle to hold.

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