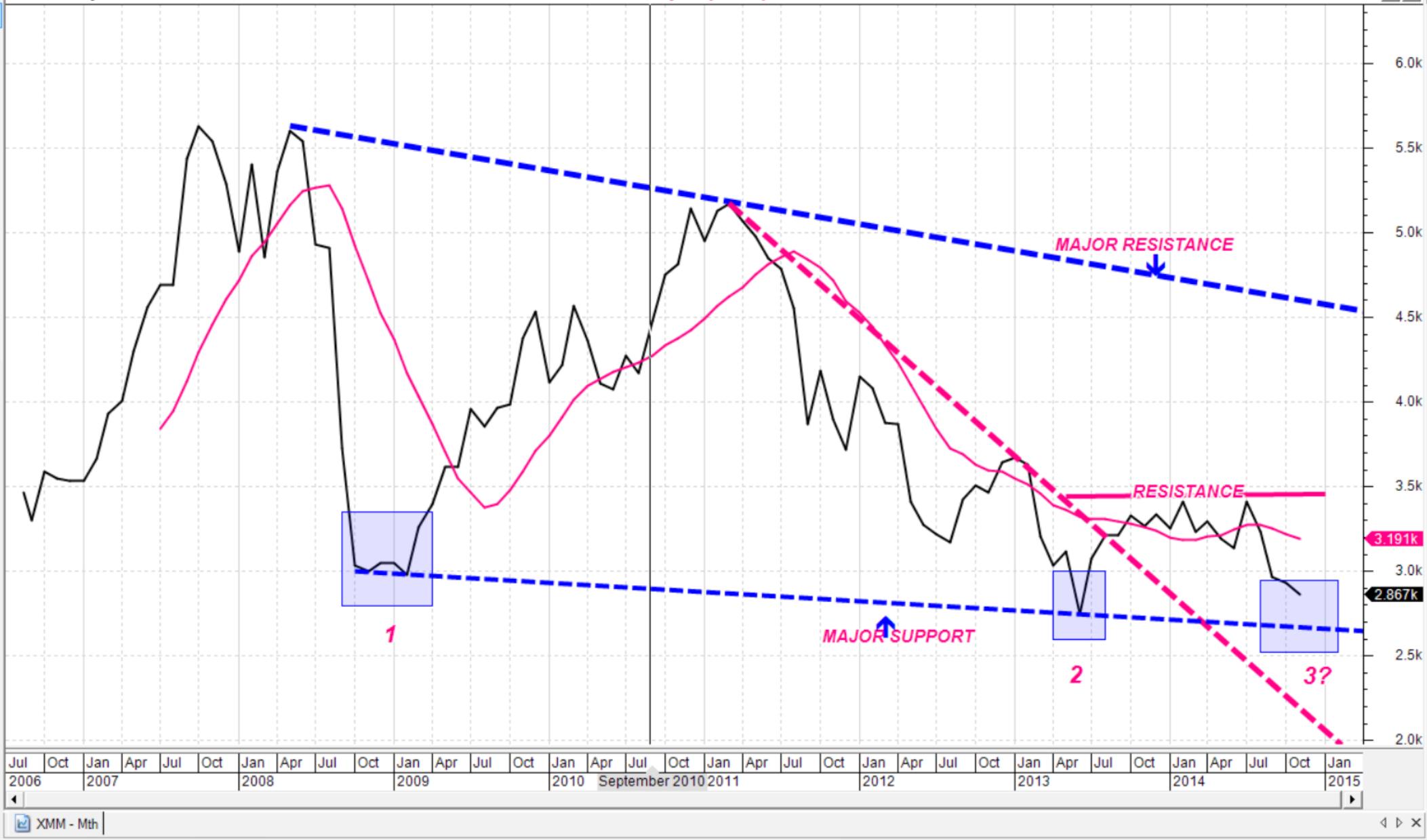


METALS & MINING (XMM)

MAJOR SUPPORT TEST

XMM **Monthly** CI=2,867.300 O=2,929.100 H=2,978.700 L=2,831.400 -68.400 -2.33% XMM **Monthly** MA (C. S. 12) 3,190.625

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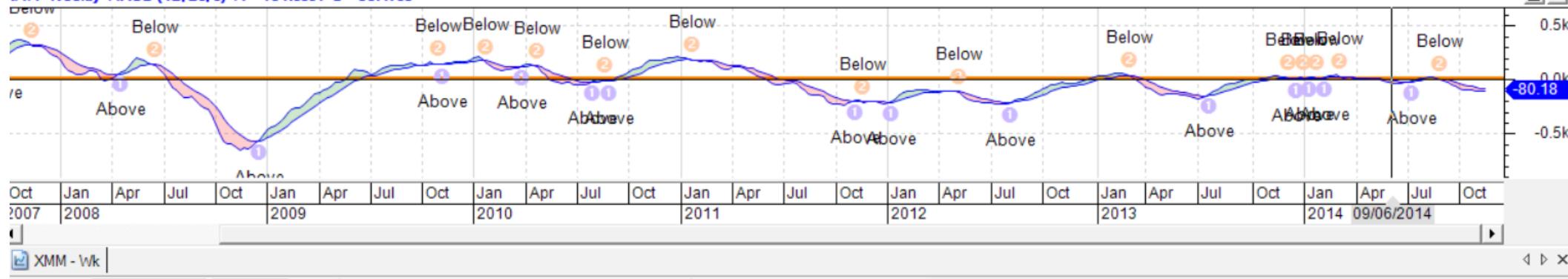


(MM Weekly CI=2,867.300 O=2,869.200 H=2,905.200 L=2,859.900 +7.400 +0.26% XMM Weekly MA(C, S, 50) 3,208.272

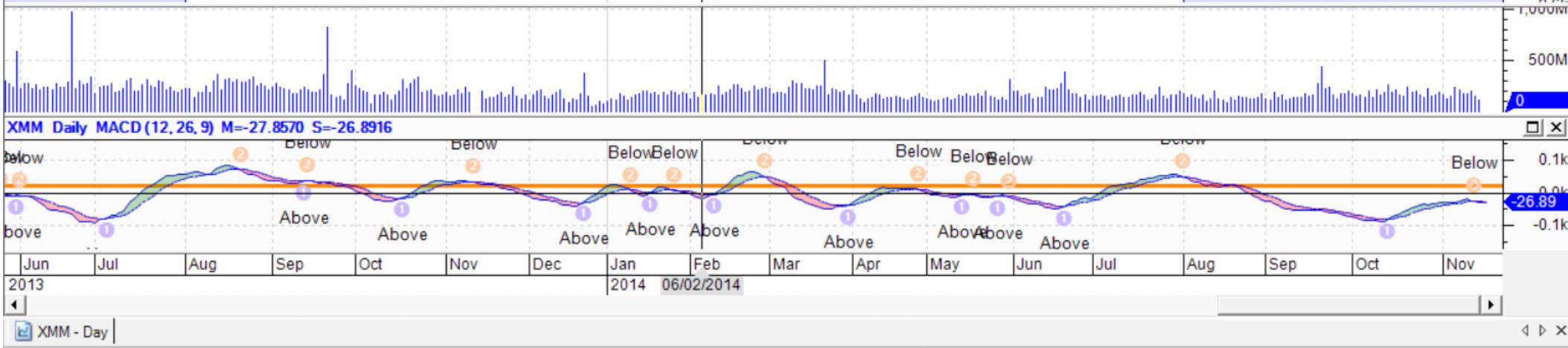
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(MM Weekly MACD (12, 26, 9) M=-104.6064 S=-80.1758



XMM Daily CI=2,867.300 O=2,869.200 H=2,905.200 L=2,859.900 +7.400 +0.26% XMM Daily MA(C, S, 50) 2,966.870 XMM Daily MA(C, S, 250) 3,215.897 XMM Daily MA(C, S, 10) 17/11/2014 4:45 PM



Looking at the BIG PICTURE Monthly line chart XMM is currently trading at a MAJOR SUPPORT ZONE. In technical terms

I would call this a TENTATIVE MAJOR SUPPORT. If a reversal from this level in the coming months is achieved it will be validated and it will become the MOST SIGNIFICANT SUPPORT for XMM going forward.

The range bound price action since the start of the chart dating back to 2006 had formed a wedge with it's boundaries shown with the two trend lines.

Monthly close above 3450 is required to turn MEDIUM term DOW THEORY trend UP which will also be a mini break-out within this big pattern. That would be very BULLISH DEVELOPMENT for XMM. Monthly close above 3200 would clear it's 12 period SMA which would be a minimum BULLISH REQUIREMENT.

I would not like to see a monthly close below the TENTATIVE LOWER SUPPORT LINE. If that is to happen ,bearish price objective would be around 2000 level. Range of the RECTANGLE PATTERN since mid. 2013 is approx. 750 point and it is projected from the low of the pattern.

Should the SUPPORT HOLD and the anticipated BREAKOUT takes place by the price action closing above 3450 on a monthly , we will add the height of the pattern to this level which gives us an UPSIDE PRICE OBJECTIVE of around 4200 ! That would be around in the vicinity of the UPPER RESISTANCE LINE.

We now focus on Weekly Chart.

Looking at the weekly XMM Chart, in the last six concluded trading weeks we have nothing other than inside and outside weeks.

It appears that a mini rectangle formation is on hand with it's range of approx. 200 points. Fair amount of indecision at these levels is quite obvious. Looks like that the pattern may conclude it's course by another mini breakdown , should that be the case that puts us in the vicinity of the LONG TERM TENTATIVE SUPPORT LINE. A similar pattern of the bottom of mid. 2013 is on the cards in the coming weeks.

Break – out above 3000 level would on the other hand put us in the vicinity of our 50 period weekly SMA which we would like to see cleared going forward.

Resolution out of this pattern on this weekly chart is the one that should be watched in the weeks ahead more than anything else. Set alerts with your Bull Charts Software and monitor it on a weekly close.

XMM DAILY CHART does give us more insights if we are a short term trader. Again we will wait for the resolution of the rectangle in the days ahead.

If our trend is defined by the SMA X 3 on our daily chart (10,50&250 period) first short term BULLISH development would be to see the price action close above it's 10 period SMA representing short term trend, followed by a 50 (intermediate term trend) and 250 long term trend. Close above all three is required to turn all trends back to BULL.

At present time all three trends are DOWN.

CONCLUSION : A further weakness in the short term is expected. A further drop of couple of hundred points on the cards.

Fundamental buying which has set the long term support on two previous occasions is expected to be realised once again. It is these footprints that the Fund Managers as well as Smart Money have left behind for the technicians like us, to alert us their presence.

One more breakdown on the weekly, would more than likely to see them set the floor to the XMM around the MAJOR SUPPORT LINE.

My view as an investor at current levels, XMM is nothing other than NEUTRAL. Trading is a different game altogether.

Any drop in the USD would be most welcomed at this front!

This analysis is nothing other than for educational purposes only, for those of us wanting to invest in financial markets, I recommend that they should seek a financial advise from a licensed financial adviser.

Kazim Agaoglu (Kaz) CFTe