

## 26/11/21

### Copper

A late sell off in the E.U. Afternoon resulted in a small rejection candle. The corrective move has been driven by concerns of a slowing economy and a quicker than expected stimulus withdrawal by the federal reserve (Bloomberg). The downside move in the futures has resulted in a break in the USD 9,662.50 support, meaning the intraday futures have created a lower low, they are now considered as bearish based on price. Intraday price and momentum are aligned to the sell side with the RSI moving below 50 (currently 49) with the stochastic nearing oversold territory, at this point momentum is vulnerable to a move to the upside, however, if the RSI moves much lower the stochastic will become less relevant. Downside moves that hold at or above 9,477 will keep the futures in bull territory on a higher timeframe, warning we could potentially start a second bull wave, this will be a key support to follow, as bearish rhetoric is still countered by tight supply and rising premiums for spot contracts. Upside moves on the 4-hour candle that close above 9,802 with the RSI at or above 55.5 would mean intraday P&M are aligned to the buy side, suggesting we have entered a bull wave. Here and now intraday technical is bearish with price looking to test Fibonacci support at USD 9,609, USD 9,553, USD 9,477, Resistance is at USD 9,695, USD 9,906, and USD 9,920.

### Ali

Like the rest of the base complex, Ali initially rallied in Asian hours after Beijing urged local governments to boost investment to counter the growth slowdown. However as highlighted in copper, economic growth fears and stimulus withdrawal resulted in the futures correcting into the close. Weakening iron ore prices have helped to drive the base sector lower in Asian hours with price opening on the exact mid-point of yesterday range. A bearish open has resulted in intraday price and momentum becoming aligned to the sell side, with the futures already trading into our daily volatility range support (USD 2,661, USD 2,643, and USD 2,625), however we have seen an intraday bounce resulting in the futures trading back above the support zone. Like copper we have had a break in fractal support meaning the intraday technical has made a lower low and is now considered as bearish. Upside moves on the 4-hour candle that close above USD 2,716 with the RSI at or above 56.5 (currently 49) would mean intraday price and momentum are aligned to the buy side, further resistance is at USD 2,736 and USD 2,769. The futures are now in a corrective phase with daily price action failing at the longer period EMA's (resistance).

### Zinc

Strong upside moves on Monday have been followed by sideways action in zinc, price did come under pressure yesterday due to a weakening base sector but also driven by a 1.8% rise in rebar inventories across China, we are also seeing reports on Bloomberg that total zinc inventories across seven Chinese markets stood at 135,100 mt as of November 26, up 4,300 mt from November 22 and 6,400 mt from November 19. The futures opened the day below yesterday's pivot point with price entering the Fibonacci support zone, corrective moves lower that hold above USD 3,217 will support an intraday bull argument, however below this level the futures will have given back the 4.2% gain from Monday's upside move, suggesting the USD 3,136 fractal support will be tested. Resistance is at USD 3,314, USD 3,349.5, and USD 3,375. Upside moves on the 4-hour candle that close above USD 3,314 with the RSI at or above 57 would mean intraday P&M are aligned to the buy side.

## Nickel

The futures are coming under pressure with market talk focusing of the risk to the recovery build, Iron ore was the first market to move lower having rejected its daily moving averages, this filtered through to the base market as concerns grew. With the U.S market on holiday for thanksgiving the futures volumes will have been lighter, yesterday's initial sell off will have found little buying support into what is traditionally the U.S close. Intraday price and momentum are now aligned to the sell side with the futures testing the USD 20,195 support, if we trade below USD 19,860 level then questions will be asked about the emerging bull trend, at this point the USD 19,150 fractal low will become a legitimate downside target for market sellers. If the USD 19,860 support holds then market buyers remain in play, however today's pivot point is at USD 20,781, the 4-hour futures will need to close above this level with the RSI at or above 64 (currently 48) for price and momentum to be considered as bullish. Based on the price and the RSI this is unlikely to happen today. Resistance is at USD 20,781, USD 21,100, and USD 21,240.

## Lead

Lead achieved best in class yesterday having closed 0.37% higher, however sentiment is a strong driver, global concerns coupled with interest rate hikes in South Korea and New Zealand have resulted in the futures opening below the daily pivot point in Asian hours (Pivot Point USD 2,277.5, open USD 2,273.5). Having closed higher, an opening like this signal's sentiment reversal, market buyers are now willing to wait to see if the Chinese government will make more comments regarding economic stabilizing. For Beijing there is a balance, vocalization and direct intervention regarding overpriced commodities is being countered by an economy that is slowing. Market sellers will now look to capitalize, as this market never broke its intraday moving averages, if the USD 2,236 support is broken then look for the USD 2,212 low to be tested. If the initial support holds then price will need to close above the USD 2,227 level on the 4-hour candle with and RSI above 49 for price and momentum to be considered as bullish; however, for the intraday technical to be considered as bullish the futures will need to trade above USD 2,380. The point of least resistance is looking like it is to the downside with market seller actively in play.

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