

China

China should set a more conservative gross domestic product growth target next year and wait to roll out big stimulus until after the pandemic is over and Covid controls become less disruptive, a prominent state-linked economist said.

A “more prudent” growth goal of 4.5% to 5% “will help preserve policy space to deal with the shock of any future global economic adjustment,” said Liu Yuanchun, president of the Shanghai University of Finance and Economics, in a video speech at the Financial Street Forum in Beijing late Monday. (Bloomberg).

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Copper rebounded from its lowest close in more than two weeks, taking support from China’s measures to stabilize the property sector, and from a weaker dollar.

Metals opened this week with a steep drop amid fears over the impact of China’s surging virus cases and widening Covid restrictions. But investors are also heeding Beijing’s latest efforts to steady the economy -- including a call from financial regulators for banks to stabilize lending to real-estate developers and construction firm. (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	7,927	R1	8,141	Stochastic oversold	RSI below 50
S2	7,872	R2	8,229		
S3	7,730	R3	8,347		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (41)
- Stochastic is oversold
- Price is above the daily pivot point USD 7,927
- Technically bullish with a neutral bias yesterday, we highlighted that the bull argument continued to deteriorate due to the depth of the pullback with the RSI testing its support, which if broken would indicate the last of the bull momentum had fallen. The RSI moved below support with the futures trading below the USD 7,872 fractal support into the close, the intraday technical is now bearish. Price is below the EMA support band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 7,927 with the RSI at or above 45 will mean price and momentum are aligned to the buy side; likewise, a close below this level will mean it is aligned to the sell side. Upside moves that fail at or below USD 8,347 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, downside moves below USD 7,858 have the potential to create a positive divergence with the RSI, not a buy signal it does warn we could see a momentum slowdown and will need to be monitored. A close on the 4-hour candle above USD 8,008 will warn we are potentially in the early stages of an intraday move to the upside, making USD 8,347 the key resistance to follow.

Aluminium Morning Technical (4-hour)



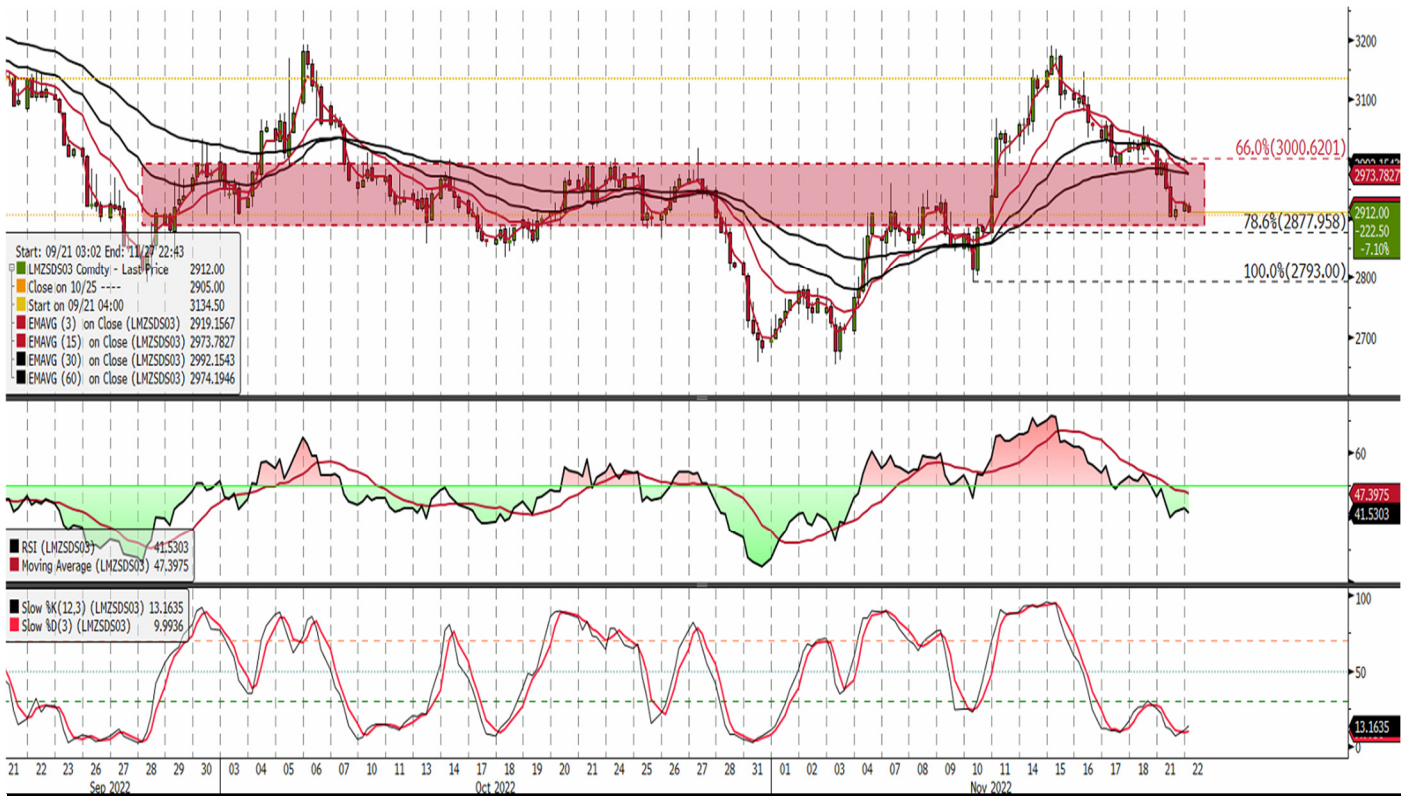
	Support	Resistance	Current Price	Bull	Bear
S1	2,380	R1	2,385	Stochastic oversold	RSI below 50
S2	2,342	R2			
S3	2,314	R3			

Source Bloomberg

Synopsis - Intraday

- Price is between the EMA support band (Black EMA's)
- RSI is below 50 (49)
- Stochastic is oversold
- Price is above the daily pivot point USD 2,380
- Technically bullish yesterday with the futures in a corrective phase, flat EMA's with the RSI at 50 warned there was a lack of trend in the market. The futures did have a test to the downside but remain above our key support having moved higher into the U.S. close. We remain between the EMA support band with the RSI near neutral at 49, intraday price and momentum are conflicting.
- A close on the 4 – hour candle above USD 2,380 with the RSI at or above 52.5 will mean price and momentum are aligned to the buyside; likewise, a close below this level will mean it is aligned to the sell side. Downside moves that hold at or above USD 2,342 will support a bull argument, below this level the technical will have a neutral bias.
- The technical remains bullish but in a corrective phase, the RSI at 49 is near-neutral with the stochastic in oversold territory, if the RSI moves above 50 then momentum will be vulnerable to a test to the upside. However, we are conscious that the RSI is below 50 and its moving average, suggesting the USD 2,342 support is starting to look vulnerable. if we see a close on the 4-hour candle above USD 2,398 it will warn that the USD 2,440 fractal high could come under pressure, above this level the intraday technical has the potential to test the USD 2,486.50 high.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,877	R1	2,912	Stochastic oversold	RSI below 50
S2	2,793	R2			
S3	2,653	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (41)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,939
- Having rejected Fibonacci resistance two days ago the futures entered a more complex corrective phase; however, we remain in bull above USD 2,927. The futures continue to move lower yesterday with price trading below our key support, the technical remains bullish but now has a neutral bias. Price is below the EMA support band with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,939 with the RSI at or above 49.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 3,000 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 3,054 fractal resistance.
- Technically bullish with a neutral bias, the USD 2,877 and USD 2,793 support levels are now starting to look vulnerable. A close on the 4-hour candle above USD 2,925 will warn that the USD 3,000 resistance could come under pressure, whilst a close above USD 3,035 will imply upside continuation.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	24,723	R1	24,997	Stochastic oversold	RSI below 50
S2	23,900	R2	26,717		
S3	23,015	R3	27,587		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (46)
- Stochastic is oversold
- Price is above the daily pivot point USD 24,997
- Technically bullish with a neutral bias yesterday a sloping moving average on the RSI warned that resistance levels could hold in the near-term if tested. However, countering this was the bullish rejection candle from the 18/11. We did move a little lower before finding some light buying support into the U.S close. Price is below the EMA support band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 24,997 with the RSI at or above 50.5 will mean price and momentum are aligned to the buy side; likewise, a close below this level will mean it is aligned to the sell side. Upside moves that fail at or below USD 28,767 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 31,275 high.
- We remain bullish with a neutral bias with the futures looking like there may have been a bit of a rebalance yesterday between bulls and bears on the back of a conflicting technical (weak momentum against the bullish rejection candle). A close on the 4-hour candle above USD 25,895 will suggest resistance levels could come under pressure. Likewise, a close below the base of the bull rejection candle (USD 23,900) would imply the USD 23,015 support could be tested and broken.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,084	R1	2,109.5	Stochastic oversold	RSI below 50
S2	2,040	R2			
S3	2,005	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA support band (Black EMA's)
- RSI is above 50 (45)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,118
- Technically bullish yesterday with the futures in a corrective phase but consolidating. The futures moved lower with price remaining in the EMA support; however, the RSI is now below 50 with price and momentum aligned to the sell side.
- A close on the 4-hour candle above USD 2,118 with the RSI at or above 54 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 2,040 will support a bull argument, below this level the technical will have a neutral bias.
- The technical is bullish but the futures remain in a corrective phase, with price and momentum aligned to the sell side. If P&M become aligned to the buyside or we see a close on the 4-hour candle above USD 2,140 (depending on which one is first), then the USD 2,157 – USD 2,189 resistance levels could be tested and broken.