

China

China's economy will likely grow more than 5% next year should Covid disruptions end and the government roll out more policies to boost confidence and consumption, according to an adviser to the People's Bank of China.

The gross domestic product growth estimate from Wang Yiming, a member of the PBOC's monetary policy committee, is the latest forecast from a prominent Chinese economist as the government tries to help economic activity recover from this year's slowdown. He was speaking via video to a conference on Wednesday organized by the Hong Kong Institute for Monetary and Financial Research. (Bloomberg).

Cu

Europe and the US are becoming much more important drivers of metals demand -- in a tilt away from China -- as the energy transition boosts usage of materials such as copper, according to the chief of commodities trading giant Trafigura Group.

"We're starting to see a big shift," Trafigura Chief Executive Officer Jeremy Weir said at the FT Commodities Asia Summit in Singapore. China has been the key driver of metals prices and demand, but now there's much more consumption emerging in Europe and the US for electrification, he said.

The comments highlight a major structural change for industrial commodities as China's frenzy of urbanization begins to cool, hitting what's been the main source of demand growth for the past two decades. The need for more copper, nickel and lithium in coming years will be a global phenomenon as all major economies pursue decarbonization. (Bloomberg).

Al

Aluminum fell as China imposed further lockdowns and restrictions due a surge of Covid-19 infections, fueling renewed demand concerns in the top metal-consuming nation.

Market sentiment is quickly becoming negative, just weeks after China eased some restrictions in a move many took as sign of a shift away from its strict Covid Zero policy. Metals are continuing a volatile 2022 as supply disruptions tangle with global demand headwinds.

"The worsening domestic Covid situation is causing a reversal to earlier optimism," Citic Futures Co. said in a note on Wednesday. Virus controls are affecting run rates at aluminum fabricators in Guangdong province and aluminum rod inventories are building up, while demand in the copper market is also waning, it said. (Bloomberg)

Zn

Speculators have increased their bullish LME zinc bets by 997 net-long positions to 29,984, weekly bourse data on futures and options show. The net-long position was the most bullish in about seven months. Long-only positions rose 280 lots to 238,810 in the week ending Nov. 18. The long-only total was the highest in more than two months. Short-only positions fell 717 lots to 208,827. The short-only total was the lowest in more than 17 weeks. (Bloomberg)

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	7,872	R1	8,000	7,986	RSI below 50
S2	7,858	R2	8,141		
S3	7,730	R3	8,229		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (43)
- Stochastic is above 50
- Price is below the daily pivot point USD 8,000
- Technically bearish yesterday with the potential to create an intraday positive divergence below USD 7,858, we did see a close on the 4-hour candle above USD 8,008 resulting in the futures trading up to a high of USD 8,090. The futures traded up to the EMA support band (the EMA's have not crossed to the downside) before producing a rejection candle into the E.U close, resulting in a small move to the downside. We remain below the support band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 8,000 with the RSI at or below 40 will mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is aligned to the buy 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.
- We remain technically bearish with price below the Fibonacci resistance zone, A close on the 4-hour candle below USD 7,936 will warn the USD 7,858 fractal support at USD 7,858 could be tested and broken. Like yesterday, a close to a new low has the potential to create a positive divergence with the RSI, this will need to be monitored, as it will warn we have the potential to see a momentum slowdown. key resistance remains unchanged at USD 8,347.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,355	R1	2,416	RSI above 50	Stochastic overbought
S2	2,342	R2			
S3	2,314	R3			

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is below 50 (52)
- Stochastic is overbought
- Price is on the daily pivot point USD 2,415
- Technically bullish yesterday with the RSI near-neutral at 49 whilst the stochastic was oversold, if the RSI moved above 50 then momentum warned we could see a test to the upside. However, as the RSI was below 50 and its MA, we were conscious that the support was looking vulnerable. We did get a close on the 4-hour candle above USD 2,398 signaling that USD 2,440 fractal high could come under pressure; the futures traded up to but not above USD 2,440 before correcting slightly on the Asian open. Price is above the EMA support band with the RSI above 50, intraday price and momentum are conflicting, as the opening candle closed below the USD 2,415 pivot level.
- A close on the 4-hour candle above USD 2,415 will mean price and momentum are aligned to the buy side; likewise, a close below this level with the RSI at or below 49 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 downside move in the futures has held the USD 2,342 level resulting in price moving higher. However, we need to see the futures trade above close above the USD 2,440 resistance, if we do, we target the USD 2,486.5 high. Likewise, downside moves below USD 2,355 would suggest the USD 2,342 support will be tested and broken.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,877	R1	2,902	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 (42)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,908
- Largely unchanged on the technical today
- Bullish with a neutral bias yesterday with support levels looking vulnerable, the futures moved sideways for the day with little noticeable movement. 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 2,908 with the RSI at or above 45.5 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 remain 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	25,965	R1	26,717	RSI above 50	
S2	24,723	R2	27,587		
S3	23,900	R3	28,767		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (51)
- Stochastic is at 50
- Price is above the daily pivot point USD 25,965
- Technically bullish with a neutral bias yesterday, it looked like we had seen a rebalance in the market on the back of the bullish rejection candle on the daily chart. We did see a close on the 4-hour candle above USD 25,895 that has resulted in the USD 26,717 resistance being tested. Price is above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 25,965 with the RSI at or below 45 will mean price and momentum are 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.
- Bullish with a neutral bias, the intraday close above USD 25,895 is leaving resistance levels vulnerable. A close on the 4-hour candle below USD 24,615 will bring the base of the bullish rejection candle in focus (USD 23,900), if broken 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	2,098.5	Stochastic oversold	RSI below 50
S2	2,040	R2			
S3	2,005	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (44)
- Stochastic is oversold
- Price is above/on the daily pivot point USD 2,097
- Technically bullish but in a corrective phase the futures moved sideways for the bulk of the session before coming under pressure into the US close. 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 2,097 with the RSI at or above 49.5 will mean price and momentum are aligned to the buy side. 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 futures remain corrective, the downside move on the open held above yesterday's low (USD 2,082 – low USD 2,083), if we had made a new low it will have created a positive divergence on the 1-hour technical, not a buy signal it is something to be aware of. A close on the 4-hour candle above USD 2,116 will warn that buy side momentum is improving, leaving the USD 2,157 resistance vulnerable.

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