

China

China's worsening economic slump and a likely disruptive rollback of Covid restrictions will keep the central bank on its easing path, economists said, with calls growing for more interest rate cuts.

A Friday announcement by the People's Bank of China to cut the reserve requirement ratio for banks -- providing them with more cash to extend loans -- came as a surprise to many analysts given the central bank's recent warnings on inflation risks.

That suggests policymakers are becoming more concerned about the growth outlook as Covid cases surge to record levels. Tighter virus restrictions across major cities like Beijing and Guangzhou have cut economic activity further, while inflaming social tensions. (Bloomberg).

Commodities

Global Commodities Roundup: Market Talk

(Dow Jones) -- The latest Market Talks covering Commodities. Published exclusively on Dow Jones Newswires throughout the day.

0307 GMT - Chinese iron-ore futures rise in early trade, on reports that authorities have stepped in to curb the protests in several cities over the country's its zero-Covid policy. Sentiment is also buoyed by recent government measures to support the country's beleaguered real-estate sector, ANZ analysts say in a note. Historically low inventory levels of the raw material and restocking needs heading into winter may also offer support to iron-ore prices, Donghai Futures says in a note. The most traded January iron-ore contract on the Dalian Commodity Exchange is up 2.3% to CNY770.5 a ton. (justina.lee@wsj.com)

0158 GMT - Copper rebounds after steep declines in the previous session amid Covid-19-related protests in China. The protests have created some uncertainty over how China will reopen to the outside world, which will affect demand for the metal, ANZ analysts say in a note. Investors are likely to focus on signs that protests are escalating, or if the situation will be brought under control. The three-month forward LME copper contract rises 0.5% to \$8,000 a metric ton. (yiwei.wong@wsj.com)

0004 GMT - Commodity markets are likely to remain volatile until there is a clearer view on how China will handle its Covid-19 policy going forward, Commonwealth Bank of Australia analyst Vivek Dhar says in a note. "It's too soon to rule out the risk of a return to China's strict Covid-zero policy, especially in light of the protests across China in recent days," he says. But that scenario is "the worst case" for China's economy and commodity demand, and could create longer-run challenges for policymakers to transition away from that zero-Covid approach, says Dhar. (rhiannon.hoyle@wsj.com; @RhiannonHoyle)

1851 GMT - WTI crude futures close higher, after concerns stemming from China's struggles with Covid-19 took energy prices to new lows for the year early in the day. The recovery "was a technical factor after the price held near critical support levels," Spartan's Peter Cardillo tells WSJ, adding that "there is talk that OPEC may cut production." The group of oil-producing countries has its next meeting scheduled for December 4. The front-month WTI futures contract gains 1.3% to close at \$77.24 a barrel.(paulo.trevisani@wsj.com; @ptrevisani)

1645 GMT - Crude prices turn higher after concerns over the Chinese economy depressed energy markets in the morning trade. WTI for January delivery rises 2% to \$77.75 a barrel and Brent is up 1% to \$84.58 a barrel. China's struggle with Covid infections has stoked fears of declining energy demand, but prices bounced back after touching new year lows. (paulo.trevisani@wsj.com; @ptrevisani) (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	7,942	R1	8,143	RSI above 50	
S2	7,850	R2	8,292.5		
S3	7,772	R3	8,507		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (51)
- Stochastic is at 50
- Price is above the daily pivot point USD 7,943
- Technically bearish yesterday the new low created a positive divergence with the RSI, not a buy signal it was a warning that we had the potential to see a momentum slowdown. The futures found buyside support yesterday before seeing a strong upside move today, driven by speculation that we could see more financial easing from the PBOC and some COVID restrictions, alongside a weakening USD. Price is above the EMA resistance band supported by the RSI moving above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 7,943 with the RSI at or below 45 will mean price and momentum are aligned to the sell side. key support is on the daily pivot level today, downside moves that hold at or above USD 7,942 will support a near-term bull argument, below this level we target the USD 7,850 fractal low.
- Technically bearish, the strength of the upside move means we now have a neutral bias, above USD 8,143 the technical will be bullish. It should be noted that the daily technical continues to hold in bull territory with key support to follow on the higher timeframe at USD 7,755.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,360	R1	2,421	RSI above 50	
S2	2,342	R2	2,447		
S3	2,314	R3	2,473		

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (52)
- Stochastic is above
- Price is above the daily pivot point USD 2,363
- Technically bullish with a neutral bias yesterday, upside moves that failed at or below USD 2,375 would warn of further technical weakness, whilst a close on the 4-hour candle above USD 2,387 or a move above USD 2,395.5 will leave the USD 2,440/41 double top vulnerable. The futures have moved higher with price trading above the USD 2,395.5 resistance. Price is above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 2,363 with the RSI at or below 45 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,360 will support a bull argument, below this level the technical will have a neutral bias.
- The break in fractal resistance means the technical is bullish, leaving the USD 2,440/41 double top vulnerable. A close above this level will leave the futures targeting the USD 2,486.50 high.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	2,926	R1	2,979	RSI above 50	Stochastic overbought	
S2	2,877	R2				3,015
S3	2,793	R3				3,054

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (54)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,926
- Technically bullish but with a neutral bias yesterday the futures remained in a consolidation phase. Like the rest of the base complex we have seen a move higher today, putting price above the EMA resistance band whilst the RSI is above 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 46 will mean price and momentum are aligned to the sell side. upside moves that fail at or below USD 2,993 will leave the futures vulnerable to further tests to the downside, above this level the technical will target the USD 3,054 resistance.
- Technically we remain in a consolidation with the futures trading to a high of USD 2,990.5, making USD 2,993 the key level to follow on the technical.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	25,448	R1	25,639	Stochastic oversold	RSI below 50
S2	24,723	R2			
S3	23,900	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (47)
- Stochastic is above 50
- Price is below the daily pivot point USD 25,448
- Technically bullish with a neutral bias we were seeing signs that sell side momentum was increasing warning the USD 24,723 support levels was looking vulnerable. The futures traded lower on the open but held support, resulting in price closing higher on the day. We remain below the EMA support band with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 25,448 with the RSI at or above 52 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 held support yesterday and the base complex is stronger this morning, suggesting we could see the market bid on the open. A close on the 4-hour candle above USD 26,250 or a move above USD 26,670 will warn that the USD 28,767 resistance could be tested and broken. Failure to break the near-term resistance levels will leave the technical vulnerable.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,115	R1	2,136.5	RSI above 50	
S2	2,084	R2			
S3	2,040	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (53)
- Stochastic is below 50
- Price is above the daily pivot point USD 2,115
- Technically bullish but in a corrective phase yesterday we had a bit of random price movement resulting in the daily Doji, signaling indecision in the market. The futures have moved higher on the open with price above the EMA support band whilst the RSI has moved above 50, intraday price and momentum are aligned to the buyside.
- A close below USD 2,115 with the RSI at or below 47.5 will mean price and momentum are aligned to the sell 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; Likewise, upside moves that fail at or below USD 2,157 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 2,189 and USD 2,223 resistance.
- The futures are trading higher with price trading above the USD 2,133.5 level on the 4-hour candle, if we close above this level then resistance levels could come under pressure.

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