

China

China's Factory, Services Activities Contract at Faster Rates in

Both manufacturing and services activities in China contracted at sharper rates in November versus the previous month as COVID-19 outbreaks in many parts of the country continued to weigh on demand and output, according to data from the National Bureau of Statistics on Wednesday.

China's official manufacturing purchasing managers' index (PMI) slipped to 48 in November from 49.2 in October.

The latest result missed economists' forecast for a reading of 49 in a Reuters survey.

A reading above 50 suggests an increase, while a reading under 50 points to a contraction.

The slowdown in November was weighed down by the sharper drop in demand and output during the month versus in October. Staffing levels also fell at the fastest rate since April, while supplier delivery times worsened.

(Bloomberg).

Copper

Copper edged up with most base metals toward its biggest monthly gain in 19 months, as investors bet China may shift from Covid Zero policies and boost demand in the top metal-consuming economy.

Following seven months of consecutive losses, copper has gained about 8% on the London Metal Exchange during November. China is pushing for greater vaccination of the elderly, driving speculation about a further easing of Covid Zero rules that have placed a heavy toll on the economy. Struggle with Covid infections has stoked fears of declining energy demand, but prices bounced back after touching new year lows. (Bloomberg).

Copper Morning Technical (4-hour)



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

Synopsis - Intraday

Source Bloomberg

- Price is on the EMA resistance band (Black EMA's)
- RSI is below 50 (49)
- Stochastic is overbought
- Price is above the daily pivot point USD 8,031
- Technically bearish with a neutral bias yesterday we have moved sideways since the initial upside move yesterday. The futures are trading on the EMA band, which is flat, indicating a lack of trend in the market whilst the stochastic at 49 in neutral. Intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 8,031 with the RSI at or below 45.5 will mean price and momentum are aligned to the sell side. 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.
- We remain technically bearish with neutral bias, above USD 8,143 the intraday is bullish. The downside (sideways action) since yesterday is weak, warning resistance could come under pressure still, providing the RSI can move above and hold above the 50 level. The daily technical remains unchanged with price holding in bull territory.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,360	R1	2,421	2,381	RSI below 50
S2	2,342	R2	2,447		
S3	2,314	R3	2,473		

Source Bloomberg

Synopsis - Intraday

- Price is on the EMA support band (Black EMA's)
- RSI is below 50 (49)
- Stochastic is above 50
- Price is on the daily pivot point USD 2,383
- The break in the fractal resistance yesterday meant the technical entered bullish territory; however, the futures gave up early gains resulting in price closing in the lower half of the days range. Price is on the EMA support band with the RSI neutral at 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 2,383 with the RSI at or below 45.5 will mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is aligned to the buyside. 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.
- Technically bullish with key support at USD 2,360, upside moves above USD 2,405.5 will target the USD 2,441 fractal resistance. The RSI and the EMA's are indicating that the futures are not currently in a trending environment.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,877	R1	2,945.5	RSI above 50	
S2	2,793	R2			
S3	2,653	R3			

Synopsis - Intraday

Source Bloomberg

- Price is on the EMA resistance band (Black EMA's)
- RSI is above 50 (50)
- Stochastic is at 50
- Price is below the daily pivot point USD 2,950
- The trend remains technically bullish with a neutral bias, the upside move yesterday failed to trade above the USD 2,993 resistance. The futures are on the EMA resistance band with the RSI neutral at 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,950 with the RSI at or above 51 will mean price and momentum are aligned to the buy side; Likewise, a close below this level with the RSI at or below 46.5 will mean it is 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. The futures rejected the resistance level yesterday resulting in the futures moving USD 50 lower.
- Technically we remain neutral with the futures in the consolidation zone highlighted on the chart.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	26,668	R1	27,587	RSI above 50	Stochastic overbought
S2	24,723	R2	28,767		
S3	23,900	R3	29,696		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (56)
- Stochastic is overbought
- Price is above the daily pivot point USD 26,668
- Technically bullish with a neutral bias yesterday the 4-hour candle did close above the USD 26,250 level resulting in price trading to a high of USD 27,500. The futures are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 26,668 with the RSI at or below 25,461 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.
- Technically bullish with a neutral bias, the close above USD 26,250 is now warning that resistance levels are vulnerable. A close on the 4-hour candle below USD 25,400 would indicate momentum based on price is starting to weaken, suggesting the USD 23,900 fractal low could come under pressure.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,129	R1	2,137.5	RSI above 50	Stochastic overbought
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 overbought
- Price is above the daily pivot point USD 2,129
- Having initially moved higher on the open yesterday the futures have since moved sideways. The futures remain 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 2,129 with the RSI at or below 49 will mean price and momentum are aligned to the sell side. 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.
- Technically bullish, the 4-hour candle did close above USD 2,133.5 yesterday, warning the USD 2,157 resistance is starting to look vulnerable.

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