

## China

China's economy will grow 2.9% this quarter from a year earlier, Standard Chartered Plc estimates, a cut from the previous forecast of 4.3%.

Cuts "reflect a broad-based downturn in November following a soft October," economists Hunter Chan and Ding Shuang write in a report on Thursday

November PMIs fell deeper below 50 to their lowest since the April lockdown due to Covid disruptions (Bloomberg).

## Copper

LME and SHFE base metals closed with gains overnight. On the macro front, Powell confirmed a slower pace of interest rate hikes from December at the earliest, supporting continued rate hikes and peak interest rates potentially higher than expected.

LME copper gained 3%, aluminium rose 4.6%, lead jumped 2.06%, and zinc advanced 3.51%.

SHFE copper gained 1.16%, aluminium added 1.89%, lead rose 0.19%, and zinc advanced 1.8%.

Copper: LME copper opened at \$8,178/mt on Wednesday and climbed after dropping to \$8,165/mt. At last, the contract closed at \$8,285/mt, up 3%. Trading volume was 22,000 lots, and open interest stood at 241,000 lots.

SHFE 2301 copper opened at 65,620 yuan/mt overnight, hitting the highest and lowest of 65,710 yuan/mt and 65,150 yuan/mt. And then, it fluctuated upward narrowly. At last, it closed at 65,540 yuan/mt, up 1.16%. The trading volume was 59,000 lots, and open interest stood at 148,000 lots.

On the macro front, US Fed Chairman Powell said in his speech yesterday that the Fed is preparing to slow down rate hikes at the December meeting, and the market reacted immediately. The US dollar index closed down sharply by 0.78%, which was bullish for copper prices. In terms of crude oil, the US API and EIA crude oil inventories announced yesterday dropped by 7.85 million barrels and 12.58 million barrels respectively, surpassing expectations. US oil closed up by 2.93%, and Brent Crude closed up by 2.98%, which also boosted copper prices. (SMM).

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,227	R1	8,329	RSI above 50	Stochastic overbought
S2	8,184	R2			
S3	8,129	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is on the EMA resistance band (Black EMA's)
- RSI is above 50 (63)
- Stochastic is overbought
- Price is above the daily pivot point USD 8,184
- We remained technically bearish with a neutral bias yesterday, highlighting that the downside move (sideways action) was weak, warning resistance levels could still be under pressure. The futures traded above fractal resistance taking the technical into bullish territory. The futures are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 8,184 with the RSI at or below 52.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 8,129 will support a bull argument, below this level the technical will have a neutral bias. Only below USD 8,009 is the intraday technical bearish.
- The daily technical is moving higher having held the EMA support band with the RSI above 50, whilst the stochastic was oversold. Both the daily and intraday are bullish with price now targeting the USD 8,600 high.

# Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,455	R1	2,501	RSI above 50	Stochastic overbought
S2	2,438	R2	2,526		
S3	2,415	R3	2,542		

Source Bloomberg

## Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (61)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,449
- Technically bullish yesterday with key support at USD 2,360, upside moves above USD 2,405.5 would target the USD 2,441 fractal resistance. The technical itself was not in a trending environment due to a neutral RSI and flat EMA's. The futures traded above the USD 2,405.5 level, resulting in the USD 2,441 resistance being tested and broken. Price is above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 2,449 with the RSI at or below 49.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,415 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the new high on the RSI would suggest that intraday downside moves should be considered as countertrend at this point, implying there is further upside in this cycle. However, the upside move above USD 2,486 has put the daily RSI into divergence, not a sell signal, it is warning we have the potential to see a momentum slowdown. Countering this is the weekly chart that is in the process of breaking the neckline on a weekly inverse head and shoulders pattern. If we see a weekly close above USD 2,486.5 (preferably above USD 2,527) then the H&S pattern will be in play, leaving the futures vulnerable to a USD 400 upside move.
- So, near-term we remain bullish on the intraday, but on the daily/weekly we have a conflicting technical. We could be about to run if the H&S pattern comes into play, but you need to keep a close eye on the daily divergence as it could lead to a false breakout

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,018	R1	3,071	RSI above 50	Stochastic overbought
S2	3,004	R2			
S3	2,976	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (64)
- Stochastic overbought
- Price is above the daily pivot point USD 3,004
- Technically bullish with a neutral bias based on price yesterday, we have had a neutral bias due to the futures moving sideways in the consolidation zone. price followed the rest of the base complex higher yesterday resulting in the futures breaking out of its range. The intraday technical is now bullish with the futures 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 3,004 with the RSI at or below 52.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,976 will support a bull argument, below this level the technical will have a neutral bias. Only below USD 2,926 is the intraday technical bearish.
- Technically bullish, upside moves above USD 3,100 will further support a bull argument, as the move will be 161.8% the length of the previous intraday wave, at this point downside moves will be considered as countertrend. Note: there is potentially a bullish inverse head and shoulder pattern forming on the daily technical that will need to be monitored. If we start to see the futures close above USD 3,193 on the daily chart then we have the potential to go on a run.



# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	26,674	R1	26,987	RSI above 50	Stochastic overbought
S2	24,723	R2			
S3	23,900	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (55)
- Stochastic is overbought
- Price is above the daily pivot point USD 26,674
- Technically bullish with a neutral bias yesterday, the intraday close above USD 26,250 warned that resistance levels are vulnerable. The futures bucked the complex trend a little yesterday with the futures testing downside support levels before closing the day slightly higher than the previous day. Price remains 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 26,674 with the RSI at or below 50 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.
- There are warning signs that resistance levels could be tested, but we still need to see more upside from this technical to convince that the USD 31,275 fractal high could be tested.

# Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,171	R1	2,190	RSI above 50	Stochastic overbought
S2	2,158	R2			
S3	2,143	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (63)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,171
- Technically bullish the close above USD 2,133.5 two days ago had warned that the USD 2,157 resistance was vulnerable which has been the case. The futures are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 2,171 with the RSI at or below 54.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,123 will support a bull argument, below this level the technical will have a neutral bias.
- Upside moves above USD 2,223 have the potential to create a negative divergence with the RSI, not a sell signal it does warn we have the potential to see a momentum slowdown and will need to be monitored.