

China

China tells four state-owned banks to provide offshore loans to aid developers in repaying overseas debt, Reuters reports, citing three people familiar with the matter. Orders are in the form of 'window guidance' with no paper trail.

Dec. 10 set as the date to make the loans secured against domestic assets

The banks are Bank of China, China Construction Bank, Industrial and Commercial Bank of China and Agricultural Bank of China

Each bank will process three to four offshore loan proposals (Bloomberg).

Copper

The acute squeeze on copper supplies in China is dissipating fast.

The front month on the futures contract in Shanghai has swung to a small discount versus the second month, a structure that indicates more ample immediate supply. It's the first time the market has been in so-called contango since July. In October, the front month was trading at an extraordinary premium of 1,180 yuan (\$167) a ton as buyers scrambled for copper, lifting prices at ports to record highs. (Bloomberg).

Zn

Zinc stockpiles in warehouses monitored by Shanghai Futures Exchanges fell further to fresh record low, according to weekly data from the bourse.

Zinc holdings -12% to 17,931 tons as of Friday, extending declines from last week's previous low of 20,403 tons

Aluminum -13% to 95,477 tons, down for a 7th week to lowest since 2016

Tin +16% to 4,708 tons, highest since last July (Bloomberg)

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	8,321	R1	8,329	RSI above 50	Stochastic overbought	
S2	8,255	R2				8,551
S3	8,144	R3				8,600

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (62)
- Stochastic is overbought
- Price is above the daily pivot point USD 8,321
- The futures continue to move higher with price 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 8,321 with the RSI at or below 56.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 8,321 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.
- Technically unchanged from yesterday, the futures remain bullish on the higher and lower time frames warning resistance levels are vulnerable. However, we do see a potential negative divergence above USD 8,408 on the 60 min chart, not a sell signal it will need to be monitored. Downside moves on the 4-hour candle that close below USD 8,243 will leave the USD 8,144 support vulnerable.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,473	R1	2,526	RSI above 50	Stochastic overbought
S2	2,446	R2	2,542		
S3	2,420	R3	2,568		

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (60)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,473
- We noted yesterday that the near-term technical was bullish whilst the daily and weekly technical were conflicting. The daily had a negative divergence ahead but the weekly has a bullish inverse head and shoulders pattern that could come into play. Unsurprisingly, with the higher timeframe technical conflicting we had an indecision day in the market, in the form of a long legged Doji. However, it does look like the daily divergence may have failed, but we will probably need to wait until the close today to confirm this. 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 2,473 with the RSI at or below 56.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,420 will support a bull argument, below this level the technical will have a neutral bias.
- We remain bullish with price consolidating yesterday. We have a note of caution on upside moves above USD 2,527 as it has the potential to create a negative divergence with the RSI. Not a sell signal, it will need to be monitored as it warns that we have the potential to see a momentum slowdown.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	3,066	R1	3,099	RSI above 50	Stochastic overbought	
S2	3,036	R2				3,118
S3	2,987	R3				3,142

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (66)
- Stochastic overbought
- Price is above the daily pivot point USD 3,066
- Technically bullish yesterday, upside moves above USD 3,100 would further support a buyer's argument, as the current wave would be greater than 161.8% than that of the previous wave. In Elliott wave terms, this intraday wave is confirmed to be bullish impulse (Neely), my interpretation of this, supported by the RSI making new highs would be that downside moves are now considered as countertrend. 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 3,066 with the RSI at or below 57.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,987 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, downside moves are now considered as countertrend.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	27,273	R1	27,601	RSI above 50	Stochastic overbought
S2	25,865	R2			
S3	25,000	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (57)
- Stochastic is overbought
- Price is above the daily pivot point USD 27,273
- Bullish with a neutral bias yesterday, there were warning signs that resistance levels could be tested; however, we needed to see more from the technical to convince that the USD 31,257 high could be tested. The futures continue to move higher with price 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 27,273 with the RSI at or below 53.5 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 little has changed since yesterday, the futures have moved higher but remain below our key resistance at USD 28,767, meaning the futures remain vulnerable to a test to the downside.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,171	R1	2,174	RSI above 50	
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 (57)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,181
- Technically bullish yesterday the futures have entered a corrective phase. Price is above all key moving averages supported by the RSI above 50, but intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,181 with the RSI at or above 62 will mean price and momentum are aligned to the buyside. 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.
- Technically bullish but in a corrective phase, if price and momentum become aligned to the buyside we target the USD 2,205.5 and USD 2,223 resistance levels. We remain cautious above USD 2,223 as we have the potential to create a negative divergence with the RSI on a new high, not a sell signal it does warn we have the potential to see a momentum slowdown and will need to be monitored.