

China

China's central bank is making the biggest medium-term liquidity injection since 2020, stepping up efforts to support the nation's economic recovery and debt sales.

The People's Bank of China added a net 289 billion yuan (\$39.6 billion) into the financial system via a one-year policy loan on Monday, the most since Dec. 2020. At the same time, it drained a net 134 billion yuan of short-term liquidity through open-market operations.

The nation is tussling with a stuttering economy, with consumer prices reflecting weak demand while data released last week showed the amount of loans made missed expectations. Beijing as well as local governments are ramping up debt sales to finance stimulus spending, reinforcing the need for more liquidity in the financial system.

(Bloomberg)

Metals

Metals prices are heading for more turbulence in the coming 12 months as global demand falters, Citigroup Inc. analysts said after gauging the mood at the industry's biggest annual event.

Copper, aluminum and zinc all drifted lower last week, as thousands of traders, producers and investors gathered in London for the annual LME Week. The event often helps set the tone for metals trading toward the close of each year, and the mood this time was downbeat.

"The consensus was clearly for a bearish macroeconomic outlook over the next 6-12 months and for metals prices to fall over the period (we agree!)," analysts including Max Layton and Wenyu Yao wrote in an emailed note.

(Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	7,970	R1	8,146	Stochastic oversold	RSI below 50
S2	7,867	R2	8,204		
S3	7,817	R3	8,268		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (46)
- Price is above the daily pivot point USD 7,970
- Stochastic is oversold
- Technically unchanged on Friday, upside moves still looked to be countertrend with price breaching support. However, the area was still holding having rejected the downside support on the 09/10. In theory, the wave cycle suggested we needed to trade to a new low, but there was a bit of support below us that needed to be broken cleanly. Support was breached on Friday, but the break has not been clean, with price trading back above the USD 7,963 level. We remain below the EMA resistance band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 7,970 with the RSI at or above 48 will mean price and momentum are aligned to the buyside. Likewise, a close below this level with the RSI at or below 43.5 will mean it is aligned to the sell side. Upside moves that fail at or below USD 8,204 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish with upside moves still considered as countertrend, the break in the USD 7,963 support is warning of technical weakness, leaving the USD 7,870 fractal support vulnerable. However, we continue to remain cautious on downside moves until we see a move that closes below and holds below the USD 7,963 level.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,179	R1	2,193.5	Stochastic oversold	RSI below 50
S2	2,162	R2			
S3	2,138	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (38)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,197
- We remained bearish on Friday with the potential to trade as low as USD 2,162 within this phase of the cycle. However, the lower timeframe RSI was still in divergence, warning we could see a momentum slowdown, suggesting caution. We have seen a very small move lower (USD 7.00) with price remaining below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,197 with the RSI at or above 41.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,233 will leave the futures vulnerable to further tests to the downside, above this level the near-term technical will have a neutral bias. Only above USD 2,252 is the technical bullish based on price; however, the Elliott wave cycle remains bearish below USD 2,306 and neutral above.
- Technically bearish, we still have a potential downside target at USD 2,162. The futures remain in divergence with the RSI, meaning we maintain a cautious bias at this point.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,446	R1	2,475	2,458.5	RSI below 50
S2	2,433	R2	2,488		
S3	2,417	R3	2,506		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (43)
- Stochastic is below 50
- Price is above the daily pivot point USD 2,446
- We achieved our downside target on Friday; we remained a cautious bear as the futures were still in divergence with the RSI, making USD 2,506 the key resistance to follow. The futures have seen a small move higher, but we remain below all key moving averages supported by the RSI below 50, intraday price and momentum are now aligned to the buy side.
- A close on the 4-hour candle below USD 2,446 with the RSI at or below 39 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,506 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically unchanged with the trend still bearish, the downside target has been achieved but we remain in divergence with the RSI, meaning we maintain a cautious view at this point. Key resistance remains unchanged at USD 2,506, a move above this level will be considered as deep into the last bear wave, meaning the probability of the futures trading to a new low will have started to decrease.

Nickel Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	18,710	RSI above 50	
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is above 50 (50)
- Stochastic is above 50
- Price is above the daily pivot point USD 18,611
- Technically bearish on Friday, the strength of the upside move meant that we had a neutral bias, making USD 18,514 the key support to follow. We remained cautious on downside moves due to the divergence that was in play. The futures did breach the USD 18,514 support, but the move has failed to hold. Price is between the EMA resistance band with the RSI neutral at 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 18,611 with the RSI at or below 46.5 will mean price and momentum are aligned to the sell side. Upside moves above USD 18,995 will mean the futures are technically bullish based on price making a higher high.
- We remain bearish with a neutral bias, based on the move higher on the Asian open. We continue to maintain a cautious view on downside moves due to the futures being in divergence with the RSI. Not a buy signal, it is a warning that we could see a momentum slowdown, which needs to be monitored.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,048.5	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (34)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,055
- Technically bearish on Friday. Price and momentum indicators were bearish, but we still had the divergence in play on the 4-hour candle, suggesting caution. However, if we saw a significant downside move, there was a chance that the divergences on this timeframe and higher could start to fail; if it did, then we would be looking at an Elliott wave extension. We were cautious, but watching to see if we got a wave extension. The futures have seen a small move lower; however, our lower timeframe momentum indicators are suggesting that we have seen a bearish wave extension. Price remains below all key moving averages with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,055 with the RSI at or above 39 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 2,129 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- We remain bearish; the lower timeframe Elliott wave cycle is now warning that upside moves have the potential to be countertrend, making USD 2,129 the key resistance to follow. If broken, the pullback will be considered as deep, meaning that the probability of the futures trading to a new high will have started to decrease. The 4-hour technical is still in divergence, countering the wave cycle; however, at this point with the divergence failure on the lower timeframe we are cautious on upside moves at this point.