

China

Hong Kong stocks fell at the end of Monday's trade as there are fears that China's economy has slowed down, with industrial profits dropping back to single-digit growth.

The Hang Seng Index slid 0.2%, or 34.36 points, to close at 17,525.06. The Hang Seng China Enterprises Index lost 0.3%, or 15.93, to 6,025.22.

The growth of Chinese industrial companies' profits have slowed down in October despite growing 2.7% year on year. The current figures released by the National Bureau of Statistics slumped from the 11.9% expansion in September.

The downtrend raised concerns for the need for stronger stimulus for manufacturers amid weak global demand. Sentiment also weakened when banks are put under pressure as the Chinese government is planning to ask lenders to write collateral-free loans to aid property developers. (Bloomberg)

Al

Aluminum advanced as Goldman Sachs Group Inc. remained bullish on the metal, predicting a widening global shortage in 2024 because of constraints on Chinese supplies.

The tightening outlook mostly reflects "the impact of China's supply bind, where a combination of hitting the capacity cap and Yunnan winter cuts means that onshore primary production will likely only grow 2% next year," analysts led by Nicholas Snowden wrote in a note dated Nov. 26. (Bloomberg)

Copper Morning Technical (4-hour)



| | Support | Resistance | Current Price | Bull | Bear | |
|----|---------|------------|---------------|--------------|-----------------------|-------|
| S1 | 8,406 | R1 | 8,418.5 | RSI above 50 | Stochastic overbought | |
| S2 | 8,324 | R2 | | | | 8,431 |
| S3 | 8,279 | R3 | | | | 8,486 |

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI is above 50 (57)
- Price is above the daily pivot point USD 8,415
- Stochastic is overbought
- Technically bullish on Friday, the futures had broken the USD 8,413 resistance; however, the MA on the RSI still warned of momentum weakness. Meaning market buyers would need to see intraday price and momentum aligned to the buy side for confirmation that we are in the early stages of a wave 5, as the MA on the RSI was suggesting caution. The futures did see a small move higher with the RSI holding above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 8,415 with the RSI at or above 60 will mean price and momentum are aligned to the buy side. Likewise, a close below this level with the RSI at or below 55.5 will mean it is aligned to the sell side. Downside moves that hold at or above USD 8,279 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, we did see price and momentum become aligned to the buy side on the final closing candle on Friday; however, we opened lower in Asia meaning it is now conflicting. The MA on the RSI is flat, warning sell side momentum has slowed down, implying momentum has the potential to turn higher. Resistance levels are starting to look like they could be vulnerable, but we need to see price and momentum turn bullish.

Aluminium Morning Technical (4-hour)



| Support | Resistance | Current Price | Bull | Bear |
|---------|------------|---------------|------|-----------------|
| S1 | R1 | 2,229 | | RSI is below 50 |
| S2 | R2 | | | |
| S3 | R3 | | | |

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is below 50 (49)
- Stochastic is below 50
- Price is above the daily pivot point USD 2,222
- Bullish on price, bearish/neutral on the Elliott wave cycle in the last report. The MA on the RSI was moving lower, warning momentum was showing signs of weakness. As previously stated, we were more bearish than bullish, but it was not the cleanest of technicals. The futures moved sideways on Friday before seeing a small move higher on the Asian open. Price is between the EMA resistance band with the RSI neutral at 49, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,222 with the RSI at or below 44.5 will mean price and momentum are aligned to the sell side.
- We remain bullish based on price, but bearish/neutral on the Elliott wave cycle. The MA on the RSI is now flat, as is the EMA resistance band with the RSI neutral at 49.56, meaning we have a neutral view on the technical.

Zinc Morning Technical (4-hour)



| | Support | Resistance | Current Price | Bull | Bear |
|----|---------|------------|---------------|------|--------------|
| S1 | 2,529 | R1 | 2,551 | | RSI below 50 |
| S2 | 2,489 | R2 | 2,572 | | |
| S3 | 2,462 | R3 | 2,602 | | |

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (51)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,551
- We remained bearish with price trading just below the USD 2,551 resistance on Friday. If broken it would warn that the probability of the futures trading to a new low would start to decrease. The RSI was below 50 with the Stochastic in overbought territory, momentum warned that we could see another test to the downside if the RSI could hold below 50. However, we did have a momentum conflict as the MA on the RSI was starting to turn higher, momentum was not bullish, but was showing signs that it was slowing down. We highlighted that we would still be cautious on upside moves even if price broke the USD 2,551 resistance, as price was approaching a resistance area on the market profile charts, where we previously spent a lot of time trading between USD 2,546 and USD 2,576. If we did see a close on the daily chart above USD 2,546 (this will be above the high of the low candle), it would warn that the market profile resistance zone (USD 2,546 – USD 2,576) could start to come under pressure. Key longer-term resistance was at USD 2,602 based on our Elliott wave cycle. There were a lot of variables on this chart, we were now cautious on upside moves providing we did not close on the daily above USD 2,546, if we did then the resistance zone would become vulnerable. The futures have closed above the USD 2,546 level on the daily candle, warning that resistance levels are starting to look vulnerable. Price is above the EMA resistance band with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle ablow USD 2,551 with the RSI at or below 47 will mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is aligned to the buy side. We have breached the near-term resistance at USD 2,551, meaning that the technical, although bearish now has a neutral bias. However, upside moves that fail below USD 2,602 will warn that we potentially have a larger bearish wave cycle in play.
- Technically bearish with a neutral bias, the close on Friday has resulted in the futures trading in the market profile resistance zone (USD 2,546 – USD 2,576). The RSI is just above 50 with the MA on the RSI implying that momentum is supported, meaning resistance levels are starting to look vulnerable, making USD 2,602 the key level to now follow on this technical.

Nickel Morning Technical (4-hour)



| | Support | Resistance | Current Price | Bull | Bear |
|----|---------|------------|---------------|---------------------|--------------|
| S1 | 15,630 | R1 | 15,890 | Stochastic oversold | RSI below 50 |
| S2 | 15,100 | R2 | | | |
| S3 | 14,650 | R3 | | | |

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (27)
- Stochastic is oversold
- Price is below the daily pivot point USD 16,245
- Unchanged on the technical last week. We were still bearish with the futures moving lower on Friday morning, the RSI remained in divergence with price, warning the futures are vulnerable to a momentum slow-down. However, due to the Elliott wave extension, upside moves should be considered as countertrend. The futures remain in a bearish trending environment with the longer-term divergence now failing. Price is 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 16,245 with the RSI at or above 36.5 will mean price and momentum are aligned to the buy side. Upside moves that fail at or above USD 17,012 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. However, key resistance is terms of the Elliott wave cycle is at USD 17,703, we remain bearish below this level and neutral above.
- The futures are in a bearish trending environment with upside moves considered as countertrend on both lower and higher timeframes, implying there will be further downside to come after any move higher. This is a very large corrective cycle, with multiple cycles in play, from an Elliott wave cycle perspective, we look to be on a wave 3 of a wave 3 of a wave 3 of a wave C. Due to the sheer size of this cycle it is possible that there are more unidentified waves as it is very complex.

Lead Morning Technical (4-hour)



| Support | Resistance | Current Price | Bull | Bear |
|---------|------------|---------------|---------------------|-----------------|
| S1 | R1 | 2,189.5 | Stochastic oversold | RSI is below 50 |
| S2 | R2 | | | |
| S3 | R3 | | | |

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (38)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,204
- Technically bullish but in a corrective phase on Friday, price was below the USD 2,207 resistance, warning of technical weakness. The MA on the RSI continued to suggest that momentum remained weak whilst the RSI was also making new lows, warning upside moves could fail to hold in the near-term. Momentum suggested support levels remain vulnerable, with the key level to follow at USD 2,154, if this was broken, then the probability of the futures trading to a new high would be greatly reduced, as it would also take out a fractal support at USD 2,156. On paper, the futures were in a corrective phase based on the Elliott wave cycle; In reality, the technical warned that we could move lower, meaning that the futures are not considered a technical buy at this point. The futures have traded to a low of USD 2,178 on the open, before finding light bid support. Price is below the EMA support band with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,204 with the RSI at or above 45 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,245 will leave the futures vulnerable to further tests to the downside, above this level we could see the USD 2,308.5 fractal high coming under pressure.
- Bullish but in a corrective phase. The MA on the RSI does suggest that momentum remains weak, but the MA trajectory is starting to flatten, warning that sell side momentum is starting to slow. However, the RSI continues to make new lows at this point, warning upside moves have the potential to be countertrend in the near-term, making USD 2,245 the key level to follow.