

## China

China's escalating push to have its banking behemoths backstop struggling property firms is adding to a maelstrom of woes for the \$57 trillion sector.

Already stung by soaring bad loans and record low net interest margins, lenders such as Industrial and Commercial Bank of China Ltd. may soon be asked for the first time to provide unsecured loans to developers, many of whom are in default or teetering on the brink of collapsing.

The risky lifeline threatens to exacerbate an already bleak outlook. ICBC and 10 other major banks may next year need to set aside an additional \$89 billion for bad real estate debt, or 21% of estimated pre-provisions profits in 2024, according to Bloomberg Intelligence. Lenders are now weighing lowering growth targets and cutting jobs among possible options, according to at least a dozen bankers who asked not to be named discussing internal matters. (Bloomberg)

## Ni

Nickel rebounded from lowest close since 2021 after a volley of warnings that prices could be prone to bursts of short-covering.

The metal used in stainless steel and batteries jumped as much 3.6% on the London Metal Exchange, and climbed as much as 5.8% on the Shanghai Futures Exchange. The upswing began after SHFE trade resumed at 1:30 p.m. local time.

Nickel has faced growing pressure because a wave of new supply from Indonesia is overwhelming demand. Its 46% year-to-date collapse makes it by far the worst-performing metal on the LME in 2023, while copper's flat.

Still, analysts have cautioned the scale of its rout — together with a substantial build-up of short positions — made nickel vulnerable to spikes should investors cash in. At the same time, investors are monitoring a plan unveiled Tuesday by Shanghai Metals Market, a researcher in China, to publish new price assessments for nickel ore and nickel pig iron in Indonesia from Dec. 1. They are also monitoring for possible production cuts in the Southeast Asian nation. (Bloomberg)

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,324	R1	8,390	RSI above 50	Stochastic overbought
S2	8,279	R2	8,431		
S3	8,243	R3	8,486		

## Synopsis - Intraday

Source Bloomberg

- Price is in the EMA support band (Black EMA's)
- The RSI is above 50 (51)
- Price is below the daily pivot point USD 8,390
- Stochastic is oversold
- Technically bullish yesterday, we had seen price and momentum become aligned to the buy side on the final closing candle on Friday; however, we opened lower in Asia meaning it was conflicting. The MA on the RSI was flat, warning sell side momentum had slowed down, implying momentum had the potential to turn higher. Resistance levels were starting to look like they could be vulnerable, but we needed to see price and momentum turn bullish. Price and momentum did not turn bullish and has become aligned to the sell side due to a small move lower, suggesting we remain in the corrective phase at this point. We are now trading in the EMA support band with the RSI above 50.
- A close on the 4-hour candle above USD 8,390 with the RSI at or above 57.5 will mean price and momentum are aligned to the buy 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.
- We remain bullish but in a corrective phase with key support at USD 8,279, a move below this level will mean that the probability of the futures trading to a new high will start to decrease. The MA on the RSI is moving lower again, implying momentum is weak; however, the RSI is above 50 with the stochastic oversold. If the RSI can hold above 50, then momentum will be vulnerable to a move higher, meaning we are conflicting. Price now in the support zone as we remain in a corrective phase at this point, a move above and close above USD 8,444 will warn that resistance levels are starting to look vulnerable.

# Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,210	R1	2,213.5	Stochastic oversold	RSI is below 50
S2	2,196	R2			
S3	2,186	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (44)
- Stochastic is oversold
- Price is above the daily pivot point USD 2,218
- We remained bullish based on price, but bearish/neutral on the Elliott wave cycle yesterday. The MA on the RSI was flat, as was the EMA resistance band with the RSI neutral at 49.56, meaning we had a neutral view on the technical. The futures did see a small move lower yesterday, but price is flat on the open. We are below the EMA resistance 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 2,218 with the RSI at or above 48.5 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 2,264 resistance come under pressure.
- We remain bullish based on price and bearish neutral on the wave cycle. The RSI is below 50 but its MA remains fairly flat to slightly lower, meaning momentum is neutral with a bit of weakness. The futures are vulnerable to a move lower; however, this is still an ambiguous technical at this point, suggesting caution in either direction.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,489	R1	2,540		
S2	2,462	R2	2,572		RSI below 50
S3	2,428	R3	2,602		

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (47)
- Stochastic is below 50
- Price is below the daily pivot point USD 2,540
- Technically bearish with a neutral bias yesterday, the close on Friday had resulted in the futures trading in the market profile resistance zone (USD 2,546 – USD 2,576). The RSI was just above 50 with the MA on the RSI implying that momentum was supported, meaning resistance levels are starting to look vulnerable, making USD 2,602 the key level to now follow on this technical. The futures traded to a high of USD 2,574 before moving lower, meaning the market profile resistance did eventually hold. Price is below the EMA resistance 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 2,551 with the RSI at or above 52 will mean price and momentum are aligned to the buy side. Upside moves that fail below USD 2,602 will warn that we potentially have a larger bearish wave cycle in play.
- We remain bearish with a neutral bias, the daily candle close above USD 2,546 has failed to hold with the USD 2,576 – USD 2,602 resistance levels remaining in place at this point. The MA on the RSI is flat as is the EMA resistance band, implying there is a neutral bias within the technical at this point. A close below USD 2,519 will warn that support levels could come under pressure; likewise, a close above USD 2,574 will leave the USD 2,602 resistance vulnerable.

# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	16,035	R1	16,395	Stochastic oversold	RSI below 50
S2	15,630	R2			
S3	15,100	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (44)
- Stochastic is oversold
- Price is above the daily pivot point USD 16,035
- The futures were in a bearish trending environment yesterday with upside moves considered as countertrend on both lower and higher timeframes, implying there will be further downside to come after any move higher. We noted how large the corrective cycle was, as there were multiple cycles in play. From an Elliott wave cycle perspective, we looked 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 was possible that there are more unidentified waves within the cycle, as it is very complex. The futures found light bid support yesterday before moving higher this morning. Price remains below the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 16,035 with the RSI at or below 31.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or above USD 16,995 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. However, key resistance in terms of the Elliott wave cycle is at USD 17,701, we remain bearish below this level and neutral above.
- The upside move this morning is the strongest bull move higher since October, warning that there could be a sentiment change in the market, leaving resistance levels vulnerable in the near-term. The Elliott wave cycle remains unchanged however, meaning we maintain our view that upside moves should be considered as countertrend at this point.

# Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,163.5	Stochastic oversold	RSI is below 50
S2	R2			
S3	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (35)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,175
- Bullish but in a corrective phase yesterday. The MA on the RSI did suggest that momentum remained weak, but the MA trajectory is starting to flatten, warning that sell side momentum was starting to slow. However, the RSI continued to make new lows, warning upside moves have the potential to be countertrend in the near-term, making USD 2,245 the key level to follow. The futures continue to move lower with price below the EMA resistance band whilst the RSI is below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,175 with the RSI at or above 41 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 2,240 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.
- We remain bearish with the MA on the RSI suggesting that momentum is still weak, having recently made a new low, the RSI movement would suggest that upside moves have the potential to be countertrend. The 1-hour RSI will be in divergence below USD 2,161; however, if we do make a new low then one suspects that will try and break the USD 2,156 – USD 2,154 support zone. If we do then the probability of the futures trading to a new high will start to decrease; in reality, if we break the USD 2,156 fractal support, it suggests that the lower timeframe wave cycle is failing, implying the higher timeframe will also. Based on the technical, upside moves should in theory be countertrend, making USD 2,240 the key resistance to follow. The futures have not been considered a technical buy in recent days, a view that we maintain, as it looks like the wave cycle will probably fail.