

China

Economic activity continued to fall in December for China's small firms, with the business outlook weakening further as Covid cases surge amid reopening, according to Standard Chartered Plc.

A gauge of business conditions at small and medium enterprises was in contractionary territory for a third straight month in December, the firm said in a report Tuesday, although it improved slightly from November. The 'performance' sub-index rose 0.1 point to 48, while the 'expectations' sub-index declined 0.4 point to 49.3 on "a weaker outlook for sales and labor usage," according to the report. (Bloomberg).

Al

Aluminum snapped a four-day drop in London after orders to withdraw supplies from Asian warehouses jumped. Nickel also rallied sharply, leading all base metals higher.

The lightweight metal climbed as much as 2.1% as orders for aluminum in London Metal Exchange warehouses gained 12%, the most in two months, driven by Malaysia and Singapore. A weaker dollar also supported industrial metals, most of which are set for steep annual losses after a bad year for demand that's been exacerbated by a rout in emerging-market currencies. (Bloomberg)

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,328	R1	8,390	RSI above 50	Stochastic overbought
S2	8,281	R2			
S3	8,210	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (51)
- Stochastic is overbought
- Price is above the daily pivot point USD 8,328
- Technically bearish yesterday, we were conscious that we may have a positive divergence in play, depending on where the 4-hour candle closed, this needed to be monitored. A divergence did form resulting in the futures moving higher, the intraday technical is now bullish. Price is above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 8,328 with the RSI at or below 45 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 8,281 will support a bull argument, below this level the technical will have a neutral bias. Only below USD 8,210 is the technical bearish.
- Technically bullish based on the new high, we have a 5-wave corrective move lower, warning that the current upside move is potentially a countertrend wave B. Upside moves that fail at or below USD 8,486 will leave the technical vulnerable to further tests to the downside, as it warns we could potentially have a bearish wave C to follow. If we trade above this level then the probability of the futures testing the USD 8,629 high will increase.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,382	R1	2,393		RSI below 50
S2	2,362	R2			
S3	2,347	R3			

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA Resistance band (Black EMA's)
- RSI is below 50 (46)
- Stochastic is below 50
- Price is above the daily pivot point USD 2,382
- Technically bearish but with price holding above the USD 2,362 support level yesterday, we have traded higher with price breaking but failing to hold above the USD 2,399 resistance, the technical is still bearish but has a neutral bias. Price is 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 2,382 with the RSI at or below 39 will mean price and momentum are aligned to the sell side. Likewise, a close on the 4-hour candle above USD 2,399 will warn that the USD 2,421 fractal resistance could be tested and broken, only above this level is the intraday technical bullish.
- Technically bearish with a neutral bias, a close on the 4-hour candle below USD 2,370 would suggest the futures could tests and trade below the USD 2,358.5 low. However, a new low has the potential to create a positive divergence with the RSI, not a buy signal it does warn we have the potential to see a momentum slowdown, suggesting caution on downside breakouts.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,051	R1	3,070		RSI below 50
S2	2,979.5	R2			
S3	2,876	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (44)
- Stochastic is above 50
- Price is above the daily pivot point USD 3,051
- Technically bearish yesterday with the futures holding support, suggesting caution as we had the potential to see some short covering in the market. The futures moved higher but remain below the EMA resistance band with the RSI below 50, intraday price and momentum are now aligned to the buyside.
- A close on the 4-hour candle below USD 3,051 with the RSI at or below 36 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 3,216 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the RSI is below 50 with the stochastic above 69, meaning we are nearing overbought territory. The futures are below the Fibonacci resistance zone with momentum warning we are vulnerable to a test to the downside, providing the RSI remains below 50, above 50 the overbought stochastic is considered as less relevant. However, we continue to highlight the support band, suggesting caution if we do trade to a new low.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	26,835	R1	28,344		RSI below 50
S2	26,600	R2			
S3	25,000	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA support band (Black EMA's)
- RSI is below 50 (48)
- Stochastic is below 50
- Price is below the daily pivot point USD 28,371
- Technically bullish but with a neutral bias based on the break to the downside the previous day, the futures moved higher on the open but rejected the Fibonacci resistance zone, resulting in the futures giving up some of its early gains in the afternoon session. Price is between the EMA support band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 28,344 will mean price and momentum are aligned to the buy side; likewise, a close below this level with the RSI at or below 45.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 31,373 will leave the futures vulnerable to further tests to the downside.
- Technically bullish with a neutral bias, a close on the 4-hour candle above USD 28,925 will warn that resistance levels could come under pressure. Likewise, a close below USD 26,835 will imply technical weakness, suggesting the USD 25,000 fractal low is vulnerable.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,143	R1	2,172		
S2	2,122	R2	2,202		RSI below 50
S3	2,097	R3	2,229		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (47)
- Stochastic is overbought
- Price is below the daily pivot point USD 2,172
- Technically bearish yesterday, we had a note of caution on downside breakouts as it had the potential to create a positive divergence with the RSI. The futures moved higher, and closed near the days high, however price has come under pressure on the Asian open. The futures are below the EMA resistance band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 2,172 with the RSI at or below 45 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. Upside moves that fail at or below USD 2,202 will leave the futures vulnerable to a test to the downside.
- Technically bearish, despite the move higher yesterday the futures remain in consolidation. The upside move in the RSI means we remain cautious on downside moves, as any divergence is likely to be more prominent below USD 2,140, implying the futures are not considered a technical sell on a new low. The RSI is at 48 with the stochastic showing a bearish cross whilst above 70, momentum is warning we could see support levels being tested in the near-term, providing the RSI remains below 50.

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