

China

The yuan advanced along with other Asian currencies as risk sentiment got a boost on expectations that US inflation data would soften, reducing the intensity of Federal Reserve rate hikes.

USD/CNY fell 0.1% at 6.7578; USD/CNH dropped as much as 0.2% to 6.7545, the lowest since Aug. 15, before turning little changed at 6.76

BNP Paribas SA warns that a yuan rally driven by improved sentiment could be shaky in a still-fragile economy, while Guotai Junan Securities Co. and China Zheshang Bank Co. say dollar sales by exporters, usually seen before Lunar New Year holidays, may start tapering off soon (Bloomberg).

Cu

Copper edged back as traders weighed the metal's next moves following a sharp gain to the highest in almost seven months on hopes for a demand surge in China.

The metal burst through \$9,000 a ton on Wednesday on its way to the strongest five-day gain since early 2021. Optimism for China's economic rebound this year is mixing with speculation that the Federal Reserve will go for a slower pace of rate hikes. US inflation data due later will be closely watched.

"Overall, we expect base metal prices to remain volatile given the evolving macro views, although the China reopening story should help balance against growth concerns in the EU and the US," CreditSights, part of Fitch Group, wrote in an emailed note. (Bloomberg)

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,073	R1	9,178	RSI above 50	Stochastic overbought
S2	9,021	R2	9,293		
S3	8,971	R3	9,439		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (71)
- Stochastic is overbought
- Price is above the daily pivot point USD 9,073
- Technically bullish yesterday with the futures looking like we were on a bullish impulse Elliott wave 5, we had a potential upside target at USD 9,178. The futures traded to a high of USD 9,185 into the close before moving lower on the Asian open. Price is 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 9,073 with the RSI at or below 67.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 8,902 will support a bull argument, below this level the technical will have a neutral bias. only below USD 8,757 is the intraday technical bearish.
- Technically we remain bullish with the upside target now achieved, meaning we no longer consider the futures a technical buy as we are vulnerable to a corrective phase.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,490	R1	2,485	RSI above 50	Stochastic overbought
S2	2,414	R2	2,485		
S3	2,383	R3	2,577		

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (64)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,490
- Technically bullish yesterday with the RSI starting to level out, warning buy-side momentum was slowing, the MA on the RSI suggested that support levels should hold is tested in the near-term. The futures moved higher with price trading above the USD 2,485 resistance to a high of USD 2,515. Price is above all key moving averages supported by the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 2,490 with the RSI at or below 62 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. Downside moves that hold at or above USD 2,341 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish with the futures back trading on the USD 2,485 resistance, we maintain a view that support levels should hold in the near-term if tested.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,169	R1	3,190	RSI above 50	Stochastic overbought
S2	3,140	R2	3,196		
S3	3,108	R3	3,249		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (59)
- Stochastic is overbought
- Price is below the daily pivot point USD 3,190
- Technically we remain unchanged again today, the futures did have a small test to the upside yesterday but price has given back the gains on the Asian open today. Price is above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 3,190 with the RSI at or above 64 will mean price and momentum are aligned to the buyside. Downside moves below USD 3,143 will indicate that the futures are in a more complex corrective phase. Key support is unchanged at USD 3,064, the futures are bullish above this level and neutral below.
- The futures remain technically bearish with a neutral bias, upside moves above USD 3,244 have the potential to create a negative divergence with the RSI. Not a sell signal, it does warn we have the potential to see a momentum slowdown on an upside breakout and will need to be monitored.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	25,664	R1	27,234	Stochastic oversold	RSI below 50
S2	24,655	R2	27,642		
S3	23,381	R3	28,195		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (36)
- Stochastic is oversold
- Price is above/on the daily pivot point USD 27,036
- Technically bullish with a neutral bias yesterday, downside moves below USD 27,260 had the potential to create a positive divergence with the RSI which needed to be monitored. Key support was at USD 27,075 on the daily technical, the futures remained bullish above this level and neutral below. Price moved aggressively lower into the close meaning the intraday divergence has failed, the futures are below all key moving averages supported by the RSI below 50, intraday price and momentum are conflicting due to the auction settling higher.
- A close on the 4-hour candle above USD 27,036 with the RSI at or above 45.5 will mean price and momentum are aligned to the buy side; likewise, a close below this level will mean it is aligned to the sell side.
- The intraday technical is bearish with the daily now neutral, the upside move on the auction means the futures have closed on the base of the daily EMA support band; However, based on the intraday futures closing below USD 26k with the daily technical now neutral, support levels have the potential to come under pressure on the open.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,140	R1	2,161	Stochastic oversold	RSI below 50
S2	2,122	R2			
S3	2,103	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (43)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,186
- Technically bearish yesterday with the futures trading in the daily EMA support band, suggesting market sellers should be a little cautious, as the daily RSI was also at 50, making USD 2,257 the key resistance to follow. We also note that the futures are trading in the support zone that formed between the 09 – 21 Dec; however, if we closed on the 4-hour candle below USD 2,140 then it would further weaken the technical environment, leaving us a cautious bear due to the support zone and daily EMA band. Price held support in yesterday's session but has come under pressure this morning with price trading into the support zone. The futures are 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 2,186 with the RSI at or above 45.5 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 2,182 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish the futures are nearing the USD 2,140 support, a close below this level will further weaken the technical, warning the USD 2,122 and USD 2,103 could come under pressure.

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