

China

China's key economic data this week will likely show a marked weakening in growth at the end of last year after the Covid Zero policy was abruptly ended, although attention is quickly shifting to a strong rebound in 2023.

A surge in infections in December took a toll on the economy, with official data Tuesday likely to show a slump in activity to levels comparable to when Shanghai was locked down in the spring last year.

That means gross domestic product growth in the final quarter of 2022 likely slowed to 1.6%, according to the median estimate in a Bloomberg survey of economists — less than half the pace recorded in the third quarter.

Full-year GDP probably grew just 2.7% last year, according to the survey, well below the government's ambitious goal of "around 5.5%" and slightly above the 2.2% increase posted in 2020, when the pandemic first hit.

(Bloomberg).

Al

Aluminum hit its highest since June as Goldman Sachs Group Inc. raised its forecasts for the widely used metal on higher demand in Europe and China.

The metal, used in everything from beverage cans to car bodies, will probably average \$3,125 a ton this year in London, analysts including Nicholas Snowden said in a note on Sunday. That's up about 20% from both current levels and the bank's previous forecast. (Bloomberg)

Copper Morning Technical (4-hour)



| | Support | Resistance | Current Price | Bull | Bear |
|----|---------|------------|---------------|--------------|-----------------------|
| S1 | 9,066 | R1 | 9,186 | RSI above 50 | Stochastic overbought |
| S2 | 9,007 | R2 | 9,293 | | |
| S3 | 8,927 | R3 | 9,439 | | |

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (64)
- Stochastic is overbought
- Price is below the daily pivot point USD 9,186
- Technically bullish but not considered a technical buy on Friday, the futures closed above the USD 9,178 resistance, however the upside move failed to hold with price moving lower on the Asian open. The Futures are above the EMA support band with the RSI above 50, but intraday price and momentum are now aligned to the sell side.
- A close upon the 4-hour candle above USD 9,186 with the RSI at or above 73 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 8,927 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 bullish with the futures now moving lower, a close on the 4-hour candle below USD 9,146 will warn we could be in the early stages of a corrective phase, leaving the USD 8,927 support level vulnerable. We maintain our view based on the Elliott wave cycle that the futures are not considered to be a technical buy as we are now vulnerable to a downside move.

Aluminium Morning Technical (4-hour)



| | Support | Resistance | Current Price | Bull | Bear |
|----|---------|------------|---------------|-------|---------------------------------------|
| S1 | 2,579 | R1 | 2,616 | 2,588 | RSI above 50 Stochastic overbought |
| S2 | 2,483 | R2 | 2,660 | | |
| S3 | 2,439 | R3 | 2,717 | | |

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (69)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,579
- Technically bullish on Friday but with a marginal divergence in play, suggesting caution as it warned we could see a momentum slowdown. We did see a move to the upside into the close on Friday and the Asian open today; however we now have an intraday rejection candle. Price is above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 2,579 with the RSI at or below 66 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,379 will support a bull argument, below this level the technical will have a neutral bias.
- Technically we remain bullish but the intraday negative divergence remains in play, meaning we maintain a cautious view at this point. If price and momentum become aligned to the sell side followed by a close on the 4-hour candle below USD 2,550 then the USD 2,379 support will be vulnerable. However, upside moves above USD 2,627 will imply that buy side momentum is increasing, warning the negative divergence could fail.

Zinc Morning Technical (4-hour)



| | Support | Resistance | Current Price | Bull | Bear |
|----|---------|------------|---------------|--------------|-----------------------|
| S1 | 3,271 | R1 | 3,339 | RSI above 50 | Stochastic overbought |
| S2 | 3,247 | R2 | 3,376 | | |
| S3 | 3,213 | R3 | 3,440 | | |

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (66)
- Stochastic is overbought
- Price is on the daily pivot point USD 3,306
- Technically bearish with a neutral bias last week, the depth of the upside move suggested that the USD 3,339 fractal resistance would be tested and broken. The futures did move higher on Friday with price breaking the fractal resistance, the technical is now bullish. Price is above all key moving averages supported by the RSI above 50; however, the futures have sold off a little on the Asian open, meaning price and momentum are now conflicting.
- A close on the 4-hour candle below USD 3,306 with the RSI at or below 63.5 will mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is aligned to the buyside. Downside moves that hold at or above USD 3,213 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the 1-hour technical is in divergence with the RSI, not a sell signal it is warning that the futures have the potential to see a momentum slowdown, suggesting caution going forward.

Nickel Morning Technical (4-hour)



| | Support | Resistance | Current Price | Bull | Bear |
|----|---------|------------|---------------|------|--------------|
| S1 | 25,664 | R1 | 27,340 | | RSI below 50 |
| S2 | 24,655 | R2 | 28,195 | | |
| S3 | 23,381 | R3 | 28,630 | | |

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (43)
- Stochastic is overbought
- Price is below the daily pivot point USD 27,340
- Technically bearish last time with support levels remaining vulnerable, making USD 28,195 the key resistance to follow. The futures traded higher on the open, breaking resistance before moving lower, meaning the technical now has a neutral bias. Price is below all key moving averages supported by the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 27,340 with the RSI at or below 41.5 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.
- Technically bearish with a neutral bias, the daily technical is bullish but with a neutral bias. If we look at the daily technical, we can see a corrective 3-wave pattern that initially pulled back to just below the 61.8% Fibonacci retracement, before moving higher. The subsequent retracement held at the 78.6% retracement level (USD 25,834 – low at USD 25,915), the technical has a neutral bias, but we do potentially have a bullish Gartley pattern in play on the daily chart. Alongside the breach in the USD 28,195 resistance this would now suggest caution on downside moves. We are bearish with a neutral bias and the futures did roll over to the sell side on Friday on the downside move, but we are mindful of the higher timeframe pattern here.

Lead Morning Technical (4-hour)



| | Support | Resistance | Current Price | Bull | Bear |
|----|---------|------------|---------------|--------------|-----------------------|
| S1 | 2,225 | R1 | 2,235 | RSI above 50 | Stochastic overbought |
| S2 | 2,215 | R2 | | | |
| S3 | 2,202 | R3 | | | |

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (53)
- Stochastic is overbought
- Technically bullish last week, momentum indicators warned that the futures were vulnerable to a test to the downside, providing the RSI held below 50. The futures moved higher with the RSI moving above 50, price is above the EMA resistance band with price and momentum aligned to the buyside.
- A close on the 4-hour candle below USD 2,225 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 2,202 will support a bull argument, below this level the technical will have a neutral bias.
- The intraday technical is bullish, the daily technical is bearish with a neutral bias. The futures have held the daily EMA support band; however the Elliott wave cycle looked to have completed on the previous high, suggesting market buyers should be cautious. If we do trade above the USD 2,310 level then it would suggest there is some form of wave extension, or even a new bull cycle that is in play, which at this point we cannot see/confirm.