

## China

China's central bank injected a record amount of short-term cash into the banking system this week to meet stronger demand before the Lunar New Year holiday. The offshore yuan halted a three-week gain.

PBOC added a net 326b yuan via open market operations Friday, according to Bloomberg's calculations, pushing the weekly net injection to a record 1.97t yuan (Bloomberg).

## Cu

Copper is poised for a fifth weekly increase, its best run since May 2021, with global supply risks persisting and inventories near historic lows. Iron ore traded at a seven-month high on China reopening.

Copper extended gains on Friday, as protests in Peru threaten to choke off access to almost 2% of the world's copper mine output, just as China's emergence from Covid lockdowns promises to boost demand.

The industrial metal, seen as a barometer of the global economy, has risen since November along with other base metals as investors bet on higher demand from China's reopening and a slower pace of rate hikes by the Federal Reserve. (Bloomberg)

# Copper Morning Technical (4-hour)



|    | Support | Resistance | Current Price | Bull         | Bear |
|----|---------|------------|---------------|--------------|------|
| S1 | 9,288   | R1         | 9,560         | RSI above 50 |      |
| S2 | 9,204   | R2         | 9,686         |              |      |
| S3 | 9,138   | R3         | 9,866         |              |      |

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (61)
- Stochastic is below 50
- Price is below the daily pivot point USD 9,288
- The futures trading to a new high on the 18/01, suggesting we are either seeing wave extension or a new intraday bull cycle. Having traded to a high of USD 9,550 the futures entered a corrective phase with price trading below the USD 9,204 support, the intraday technical is bullish but has a neutral bias. Price is above the EMA support band with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 9,288 with the RSI at or above 66 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. Upside moves that close on the 4-hour candle above USD 9,457.50 will target the USD 9,560 – USD 9,686 resistance zone in the near-term, with the potential to trade higher. Likewise, a close below USD 9,202 will target the USD 9,026 fractal support.
- Technically bullish with a neutral bias, upside moves above USD 9,550 will create a negative divergence with the RSI, not a sell signal it will need to be monitored, as it warns we have the potential to see a momentum slowdown. Downside moves below USD 9,026 will bring into question the current bullish Elliott wave cycle, warning we could be entering a higher timeframe corrective phase.

# Aluminium Morning Technical (4-hour)



|    | Support | Resistance | Current Price | Bull         | Bear                  |
|----|---------|------------|---------------|--------------|-----------------------|
| S1 | 2,589   | R1         | 2,679.5       | RSI above 50 | Stochastic overbought |
| S2 | 2,555   | R2         | 2,718         |              |                       |
| S3 | 2,516   | R3         | 2,769         |              |                       |

Source Bloomberg

## Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (58)
- Stochastic is below 50
- Price is above the daily pivot point USD 2,589
- The futures are in a corrective phase having broken fractal support, the intraday technical is bearish based on the move below USD 2,584. Price remains above the EMA support band with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,589 with the RSI at or above 66 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. Downside moves that hold at or above USD 2,397 will support a longer term bull argument, below this level the USD 2,251 fractal low becomes vulnerable.
- The intraday technical is bearish based on a lower low, the Elliott wave cycle confirms we are in a corrective phase but is suggesting the downside move looks to be countertrend, warning that there is potentially another bull wave to come in this phase of a the cycle. Upside moves above USD 2,679.5 have a potential upside target of USD 2,819; however, a new high will create a negative divergence with the RSI, not a sell signal it does warn we could see a momentum slowdown and will need to be monitored.
- Bearish on price, the Elliott wave cycle is warning there is further upside moves to come. Downside moves below USD 2,555 will imply the futures are in a more complex corrective phase.

# Zinc Morning Technical (4-hour)



|    | Support | Resistance | Current Price | Bull         | Bear                  |
|----|---------|------------|---------------|--------------|-----------------------|
| S1 | 3,402   | R1         | 3,441         | RSI above 50 | Stochastic overbought |
| S2 | 3,389   | R2         |               |              |                       |
| S3 | 3,365   | R3         |               |              |                       |

## 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 3,402
- The futures remain in a bullish trending environment with price trading to new highs on the Asian open. We are 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 3,402 with the RSI at or below 61.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 3,333 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the 4-hour RSI is now in divergence with price, not a sell signal it does warn that we have the potential to see a momentum slowdown, and will need to be monitored. Intraday Elliott wave analysis would suggest that downside moves should be considered as countertrend at this point.

# Nickel Morning Technical (4-hour)



|    | Support | Resistance | Current Price | Bull         | Bear                  |
|----|---------|------------|---------------|--------------|-----------------------|
| S1 | 28,973  | R1         | 29,636        | RSI above 50 | Stochastic overbought |
| S2 | 28,305  | R2         | 29,917        |              |                       |
| S3 | 27,930  | R3         | 30,198        |              |                       |

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (56)
- Stochastic is overbought
- Price is above the daily pivot point USD 28,973
- As previously noted, the technical was bearish neutral but with a potential bullish Gartley pattern in play, the futures have moved higher with price now in bull territory. 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 28,973 with the RSI at or below 48 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 27,421 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish the futures are approaching the Fibonacci resistance zone, if the futures trade above USD 30,198 then we are probably looking at a bullish impulse move, whilst above USD 31,975 will warn the USD 33,575 fractal high could be tested and broken.



# Lead Morning Technical (4-hour)



|    | Support | Resistance | Current Price | Bull                | Bear         |
|----|---------|------------|---------------|---------------------|--------------|
| S1 | 2,120   | R1         | 2,133         | Stochastic oversold | RSI below 50 |
| S2 | 2,108   | R2         |               |                     |              |
| S3 | 2,068   | R3         |               |                     |              |

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (37)
- Stochastic is oversold
- Price is below the daily pivot point (USD 2,150)
- Technically bullish last time with price holding support; however, the stochastic was moving lower, if the RSI moved below 50 (it was at 50) then the futures could be vulnerable to further tests to the downside. The RSI broke 50 resulting in the futures moving lower, the intraday technical is now bearish. 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 2,150 with the RSI at or above 45 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 2,202 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish the USD 2,120 support is now vulnerable, a close below this level will leave the USD 2,108 and USD 2,068 support levels could come under pressure.