

U.S.

When Jerome Powell stepped up to the podium at 2:30 p.m., the Federal Reserve had just carried out its expected quarter-point interest-rate hike and markets had barely budged.

Forty-five minutes later, when the chair stopped speaking, stocks and Treasuries had taken off — even though he said interest rates would likely end up higher than investors expected and he pushed back on cuts that markets had priced in for this year.

What investors chose to hear as Powell's message: a more upbeat outlook on inflation and his failure to forcefully push back on recent market rallies that have limited the effectiveness of central bank tightening. (Bloomberg)

China

China property crisis: 30 cities cut mortgage rates on first homes to key level in bid to boost struggling market

Thirty mainland Chinese cities lowered mortgage rates for first-time buyers to below 4.1 per cent in January, says Beike Research Institute

Local authorities are taking steps to ease restrictions on homebuying, in line with recent directions from the central government

Thirty mainland Chinese cities lowered mortgage rates for first-time buyers to below a key level in January, according to the Beike Research Institute, as local governments respond to Beijing's pledge to help people get onto the property ladder.

The number of cities offering rates of 4.1 per cent or less - a level perceived as very low in China - grew from 19 to 30 in just two weeks, Beike's data showed. Eight of them are second-tier cities, and the rest are third- or fourth-tier. (Bloomberg).

NI Copper

Copper jumped from a three-week low as metals joined a risk-on rally after Federal Reserve Chair Jerome Powell highlighted the central bank's progress in quelling inflation.

While the Fed raised rates and Powell warned of more to come, investors focused on his perceived dovish comments — including his reference to a “gratifying” turn to disinflation. The bank's campaign to squeeze price pressures in the US economy has been a major headwind for metals over the past year (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,126	R1	9,289		RSI below 50
S2	9,033	R2	9,395		
S3	9,026	R3	9,439		

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 above the daily pivot point USD 9,126
- The upside move on the 31/01 had produced a bullish rejection candle on the daily chart whilst the intraday technical had broken fractal resistance, again a bullish signal which warned that the USD 9,395 resistance could be vulnerable. The futures came under pressure all day yesterday with price closing but holding just above the USD 9,026 fractal support. We have seen a bullish gap up after the US rate hike, as the USD reacted negatively; however, the futures are holding below the EMA support band with the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 9,126 with the RSI at or below 43.5 will mean price and momentum are aligned to the sell side. Upside moves above USD 9,289 will target the USD 9,395 resistance whilst a move below USD 9,026 will be bearish.
- We remain technically bullish with a neutral bias. The failure to hold the gains from Wednesday is a concern as we have now traded below the low of the rejection candle on the daily chart. The EMA support band is now flat, indicating a lack of trend in the market. Key resistance is at USD 9,289, the technical is bullish above this level, whilst below USD 9,026 we are bearish. We have a bullish gap on the intraday chart (USD 9,170 – USD 9,122.5), this is in theory a support zone. However, markets like to try and close gaps, so you could see market sellers looking to see if there is genuine support here, meaning they could try and close this window (gap), if they do then the USD 9,026 support could fall.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,621	R1	2,664	RSI above 50	Stochastic overbought
S2	2,555	R2	2,679.5		
S3	2,516	R3	2,718		

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (55)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,621
- The longer-term technical remained bullish yesterday based on the Elliott wave cycle with the move above USD 9,626 warning that the USD 2,664 fractal resistance could be tested and broken, the intraday technical was bearish with a neutral bias. Price did move lower but held the EMA support band with the RSI still above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,621 with the RSI at or below 47.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,397 will support a longer-term bull argument, below these levels the USD 2,251.5 fractal low becomes vulnerable.
- We remain bearish with a neutral bias on the intraday, price has moved higher on the Asian open but has failed to break the USD 2,664 fractal support at this point. If we do, then it would suggest that we trade to new highs, meaning the futures are on a bullish Elliott wave 5. If we trade below USD 2,585 then it warns that the technical is weakening, whilst below USD 2,555 it would suggest we are in a complex corrective wave 4. The technical need to break one of the key fractals (USD 2,664 – USD 2555) for directional bias. Downside moves are still considered as countertrend based on the longer-term wave cycle.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	3,357	R1	3,364	Stochastic is oversold	RSI below 50	
S2	3,296	R2				3,453
S3	3,229	R3				3,520

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (45)
- Stochastic is oversold
- Price is above the daily pivot point USD 3,357
- The futures remained in a corrective phase yesterday despite the light buying support on the Asian open. We failed to close above the USD 3,453 level resulting in the futures trading lower for the session. Price is below the EMA support band with the RSI below 50, intraday price and momentum are conflicting due to the small gap higher on the open.
- A close on the 4-hour candle above USD 3,357 with the RSI at or above 49.5 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. Downside moves that hold at or above USD 3,139 will support a bull argument, below this level the longer-term technical will have a neutral bias.
- The futures remain in a corrective phase at this point, the MA on the RSI is sloping lower whilst price is below the EMA band, implying buy side momentum remains weak at this point, warning support levels are still vulnerable.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	28,796	R1	29,296		RSI below 50
S2	28,427	R2			
S3	27,800	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA support band (Black EMA's)
- RSI is below 50 (49)
- Stochastic is above 50
- Price is below the daily pivot point USD 29,675
- A cautious bull yesterday as the RSI was testing resistance, if it failed to close above 60.33 it would suggest that support levels were vulnerable. The RSI resistance held, resulting in price trading into the Fibonacci support zone, the futures are between the EMA support band with the RSI neutral at 49.9, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 29,675 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 28,731 will support a bull argument, below this level the technical will have a neutral bias. Only below USD 27,800 is the technical bearish. Upside moves that fail at or below USD 30,141 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 30,730 fractal high.
- Technically bullish but in a corrective phase, the base sector has opened higher, but the upside moves are not strong at this point, suggesting we could potentially see the USD 28,796 be tested and broken on the open, taking the technical into neutral territory.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,146	R1	2,167	RSI above 50	
S2	2,126	R2			
S3	2,112	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (51)
- Stochastic is at 50
- Price is above the daily pivot point USD 2,146
- Technically bearish with a neutral bias yesterday with the futures lacking direction at these levels, leaving us with a neutral view. The futures did trade below the USD 2,112 support, but the downside move failed to hold. Price has opened with light bid support with the futures now above a flat EMA band supported by an RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,146 with the RSI at or below 46 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,200 will leave the futures vulnerable to further tests to the downside. Likewise, downside moves that close below USD 2,137.5 will warn that the USD 2,126-USD 2,112 support zone could be vulnerable.
- We remain technically bearish with a neutral bias with the futures lacking clarity at this point, meaning we maintain a neutral view.