

China

The yuan outperformed Asian currencies after the People's Bank of China set a stronger-than-expected yuan fixing and as Chinese authorities attempted to ease tensions with the US.

USD/CNH falls 0.2% to 6.7922 after rising as much as 0.4% earlier

USD/CNY drops 0.3% to 6.7822

Yuan rebounded as the Chinese government urged the US not to escalate tensions over balloon issue, says Fiona Lim, senior FX strategist at Maybank in Singapore (Bloomberg).

NI Copper

Copper extended its retreat from a seven-month high as a strengthening dollar hit the outlook for demand and concerns over political tensions between the US and China weighed on sentiment.

Copper's new year rally is fading with China's reopening yet to deliver a solid recovery in consumption, while the rebound in the dollar after an unexpectedly strong US jobs report is making commodities priced in the greenback more expensive to importers.

The market is also responding to a ratcheting higher in tensions between the world's top two economies. The Biden administration postponed Secretary of State Antony Blinken's trip to Beijing after the US shot down what it said was a Chinese spy balloon. (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,869	R1	9,004	Stochastic oversold	RSI below 50
S2	8,651	R2	9,151		
S3	8,479	R3	9,227		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (40)
- Stochastic is oversold
- Price is below the daily pivot point USD 9,004
- Technically bearish on the intraday last week, the futures have closed on the 4-hour candle below USD 9,003, warning that the USD 8,869 support is vulnerable. Price is below the EMA resistance band (EMA's have now crossed) with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 9,004 with the RSI at or above 45.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 9,330 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish on the intraday with upside moves considered to be countertrend at this point, based on the intraday divergence failing, making USD 9,330 the key resistance to follow at this point. On the daily technical this downside move continues to look corrective and not bearish, which intraday sellers need to be aware of.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,555	R1	2,575.5	Stochastic oversold	RSI below 50
S2	2,516	R2			
S3	2,465	R3			

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (44)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,582
- Technically bearish with a neutral bias last week, downside moves below USD 2,585 warned that the technical was weakening whilst below USD 2,555 would suggest the futures are in a complex corrective wave 4. Likewise, above USD 2,664 would suggest we are on a bullish wave 5, meaning we should trade to new highs. The longer-term Elliott wave cycle would suggest that the downside moves was countertrend. The futures traded below the USD 2,585 support with price holding just above the USD 2,556 fractal support (low USD 2,556). Price is below the EMA support 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 2,582 with the RSI at or above 50.5 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 2,619 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 2,664 is the technical bullish.
- We remain bearish neutral in what looks to be a higher timeframe countertrend move, making USD 2,397 the key support to follow.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,139	R1	3,235	Stochastic oversold	RSI below 50
S2	3,067	R2			
S3	3,019	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 3,271
- The futures remained in a corrective phase last week, a flat EMA support band whilst the MA on the RSI had also started to flatten indicated we lacked directional bias. The futures have continued to move lower with price now below the EMA resistance band (EMA's have crossed) whilst the RSI is below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 3,271 with the RSI at or above 43.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 3,320 will leave the futures vulnerable to further tests to the downside. Only above USD 2,391 is the technical bullish.
- The futures remain in a corrective phase with the RSI making new lows, suggesting upside moves on the intraday should be considered as countertrend in the near-term. However, the longer-term Elliott wave cycle continues to suggest that this move is corrective and not bearish, making USD 3,139 the key support level to follow. If broken, it will mean the wave cycle is neutral based on the depth of the pullback, warning the probability of the futures trading back to new high will decrease, leaving the wave cycle vulnerable to failure.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	28,427	R1	28,612		RSI below 50
S2	27,800	R2			
S3	26,500	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (45)
- Stochastic is below 50
- Price is above the daily pivot point USD 29,089
- Bullish with a neutral bias last week, upside moves above USD 30,141 will mean we are back in bullish territory; however, above USD 30,730 the futures had the potential to create a negative divergence with the RSI, implying caution on a new high. The futures opened above the USD 30,141 resistance but failed to hold, resulting in price trading to new lows. Price is below the EMA support 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 29,089 with the RSI at or above 55.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 29,606 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 30,195 fractal resistance.
- The futures have closed below USD 28,796 on the back of a negative divergence with the RSI, suggesting the USD 28,427 and USD 27,800 support levels could be vulnerable.

Lead Mornina Technical (4-hour)



Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (48)
- Stochastic is below 50
- Price is above the daily pivot point USD 2,115
- Neutral on the last report, the futures have seen a move to the downside with price trading below the USD 2,112 support, meaning the USD 2,088 and USD 2,048.5 levels could be vulnerable. However, we have seen a move to the upside on the Asian open with price nearing the EMA resistance band, The RSI is below 50 with price and momentum conflicting.
- A close on the 4-hour candle below USD 2,115 with the RSI at or below 46 will mean price and momentum are aligned to the sell side. Likewise, a close above this level with the RSI at or above 49.5 will mean it is aligned to the buyside. Upside moves that fail at or below USD 2,146 will leave the futures vulnerable to further tests to the downside, above this level the technical will have neutral bias.
- Technically bearish, the futures are trading back up to the consolidation zone from last week, this has the potential to act as a resistance zone, a close above USD 2,167 or a move above 2,175 will warn that the technical is starting to turn bullish.