

China

A major city in China has eased a key restriction on housing purchases, paving the way for more cities to follow suit and prop up demand as the property slump in the world's second-biggest economy drags on.

Wuhan, China's eighth-most populous city, will allow local families to buy an additional home in areas with purchasing caps, according to a local government statement. The city in central China where Covid-19 cases first emerged more than three years ago, supports "reasonable" home purchases, according to the statement.

With a population of 13 million, Wuhan is the first major city to clearly allow homeowners to buy additional units, easing a ban put in place in many metropolitan areas to prevent speculation. (Bloomberg).

Cu

China's copper producers were at their most active in seven months in January, according to an analysis of smelting activity, promising more supply for a market already burdened by large stockpiles and weak demand.

At the end of January, only a couple of Chinese smelters were observed as inactive, according to SAVANT, a service provided by broker Marex Group Plc and geospatial analysis company Earth-i, which monitors up to 90% of operations globally. That raised output by 2% from December's level to 744,000 tons, contributing to a record month for global production, Marex said in a statement. (Bloomberg).

Al

Aluminum rebounded from a four-week low as investors weighed a looming US tariff on Russian supplies of the metal.

Although it's unlikely the measure would have a meaningful impact on the US given the limited volumes shipped there, "the US market would have fewer options to buffer regional market tightness in the event of a widening US deficit," Citigroup Inc. analysts led by Wenyu Yao said in a note on Tuesday. (Bloomberg)

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	8,886	R1	8,922	Stochastic oversold	RSI below 50	
S2	8,808	R2				9,179
S3	8,651	R3				9,298

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (41)
- Stochastic is oversold
- Price is above the daily pivot point USD 8,886
- Technically bearish yesterday with upside moves considered as countertrend based on the RSI trading to a new low, the futures continued to move lower. Price is below the EMA resistance band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 8,886 with the RSI at or above 43 will mean price and momentum are aligned to the buyside. Likewise, a close below this level with the RSI at or below 38.5 will mean it is aligned to the sell side. Upside moves that fail at or below USD 9,298 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, intraday Elliott wave analysis would suggest that upside moves should still be considered as countertrend at this point, making USD 9,298 the key resistance to follow at this point. A close on the 4-hour candle above USD 8,932 will imply that buyside momentum is improving, warning resistance levels could be tested.

Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,552	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (43)
- Stochastic is oversold
- Price is above the daily pivot point USD 2,540
- We remained bearish with a neutral yesterday in what looks to be a higher timeframe countertrend move, making USD 2,397 the key support to follow. The futures continued to move lower with price breaking the USD 2,555 fractal support, meaning the intraday is considered as bearish once again. Price is below the EMA resistance band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,540 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 with the RSI at or below 41 will mean it is aligned to the sell side. Upside moves that fail at or below USD 2,599 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 2,649.5 is the technical bullish.
- Technically bearish on the intraday 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	3,215	Stochastic oversold	RSI below 50
S2	3,067	R2	3,249		
S3	3,019	R3	3,294		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (33)
- Stochastic is oversold
- Price is below the daily pivot point USD 3,158
- The futures were in a corrective phase yesterday with the RSI making new lows, suggesting upside moves in the intraday should be considered as countertrend in the near-term. However, the longer-term Elliott wave cycle implied that the downside move was corrective and not bearish, making USD 3,139 the key support to follow. If broken, it would 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. The futures continued to move lower, resulting in the futures trading below the USD 3,139 support, price is below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 3,158 with the RSI at or above 38 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 3,294 will leave the futures vulnerable to further tests to the downside. Only above USD 2,391 is the technical bullish.
- The downside move below USD 3,139 means that the longer-term wave cycle is now neutral, warning the probability of the futures trading to a new high is decreasing, based on the depth of the pullback. Based on the RSI making new lows, upside moves should be considered as countertrend at this point, making USD 3,294 the key resistance to follow.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	27,189	R1	27,561	Stochastic oversold	RSI below 50
S2	25,970	R2	28,195		
S3	23,900	R3	28,577		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (38)
- Stochastic is oversold
- Price is below the daily pivot point USD 27,561
- Technically bullish with a neutral bias yesterday, the close below USD 28,796 on the back of a negative divergence suggested that the USD 28,427 and USD 27,800 support levels could be vulnerable. The futures moved lower with support levels broken, the intraday technical is now bearish. 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 27,561 with the RSI at or above 51 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 29,095 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 30,195 is the technical bullish.
- Technically bearish with the RSI making new lows, suggesting upside moves should be considered as countertrend at this point, making USD 29,095 the key resistance to follow. The downside move is warning that the daily support at USD 25,970 is starting to look vulnerable.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,108	R1	2,117.5	Stochastic oversold	RSI below 50
S2	2,088	R2			
S3	2,048.5	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (45)
- Stochastic is oversold
- Price is above the daily pivot point USD 2,108
- Technically bearish yesterday, the futures had traded back up to the consolidation zone from last week, which had the potential to act as a resistance zone, a close above USD 2,167 or a move above 2,175 warned that the technical is starting to turn bullish. The futures rejected the resistance zone yesterday resulting in the futures trading to a new low; however, we are seeing some light bid support on the open. We remain below the EMA resistance band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,108 with the RSI at or above 47 will mean price and momentum are aligned to the buy side. Likewise, a close below this level with the RSI at or below 42.5 will mean it is aligned to the sell side. Upside moves that fail at or below USD 2,088 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the remain below the consolidation zone from last week, this still 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.

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