

China

China's home prices steadied in January, ending a 16-month decline after the government expanded stimulus policies for the sector.

New-home prices in 70 cities, excluding state-subsidized housing, remained unchanged, compared with a 0.25% decline in December, National Bureau of Statistics figures showed Thursday. In the secondary market, existing-home prices dropped 0.28%, smaller than the 0.41% decline in the previous month.

Chinese regulators unveiled a sweeping plan to revive the housing industry, focusing mainly on the supply side by pledging financial support to cash-strapped developers. Since then, officials have taken further steps to stimulate homebuyer demand and ensure the sector's stable growth. (Bloomberg).

Cu

The slump in sales of cleaner cars in China is presenting another challenge to its embattled copper sector.

Output of the copper foil used in lithium batteries fell for a second month in January as weaker demand for electric vehicles prompted some producers to switch to conventional products, said Shanghai Metals Market.

Battery copper foil production dropped 14% from December to 39,800 tons, according to a survey from the research firm. Total copper foil output, which includes products used in electronics, fell 8.6% to 66,100 tons. SMM said it expects February's output to slip further to 65,400 tons. (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,987	R1	8,915	Stochastic oversold	RSI below 50
S2	8,808	R2			
S3	8,741	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (47)
- Stochastic is oversold
- Price is above the daily pivot point USD 8,987
- The futures traded below the USD 8,808 support yesterday, meaning the positive divergence is in play, price traded to a low of USD 8,786 before finding light bid support into the close and on the Asian 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 8,987 with the RSI at or above 49 will mean price and momentum are aligned to the buy side; likewise, a close below this level with the RSI at or below 44.5 will mean it is aligned to the sell side. Upside moves that fail at or below USD 8,963 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 9,055.5 is the technical bullish.
- The futures have made a new low, created a positive divergence, before moving higher having held the daily EMA support band. Based on the divergence being in play, we do not consider the futures a technical sell at this point, as resistance levels are now vulnerable.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,412	R1	2,395.5	Stochastic oversold	RSI below 50
S2	2,435	R2			
S3	2,464	R3			

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (35)
- Stochastic is oversold
- Price is on the daily pivot point USD 2,494
- The downside move below USD 2,402 yesterday means the longer-term Elliott wave cycle now has a neutral bias, implying the probability of the futures trading back to new highs has decreased. 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 above USD 2,494 with the RSI at or above 37.5 will mean price and momentum are aligned to the buy side; likewise, a close below this level with the RSI at or below 33 will mean it is aligned to the sell side. Upside moves that fail at or below USD 2,435 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 2,464 is the intraday technical bullish.
- Technically bearish with upside moves considered as countertrend at this point. We do have a positive divergence on the lower timeframe chart (60 min) that needs to be monitored, suggesting caution on downside moves at this point, making USD 2,435 the key near-term resistance to follow.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,000	R1	3,038	Stochastic oversold	RSI below 50
S2	2,990	R2	3,055		
S3	2,890	R3	3,095		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (41)
- Stochastic is oversold
- Price is below the daily pivot point USD 3,038
- We had a conflicting technical yesterday, suggesting caution. The futures had moved higher on the back of a positive divergence, whilst a downside move below USD 3,001 would create a third divergence into the support zone, warning sell side momentum had the potential to slow down on a new low. The rejection of the USD 3,146 level suggested that the USD 3,001 support was vulnerable in the near-term; however, the futures were not considered a technical sell on a downside breakout. Price moved lower, traded USD 1.00 below the fractal support which triggered the second divergence, resulting in a move the futures moving USD 30.00 higher. 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 3,038 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 3,095 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 3,145 is the technical bullish.
- Technically bearish, on a support zone with two positive divergences in play. The futures are not considered a technical sell at this point as resistance levels are now vulnerable, making USD 3,095 the key resistance to follow.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	25,915	R1	26,143	Stochastic oversold	RSI below 50
S2	25,770	R2			
S3	24,837	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (36)
- Stochastic is oversold
- Price is below the daily pivot point USD 26,209
- Technically bearish but in divergence yesterday, meaning we were cautious of downside moves; however, if we moved lower and the divergence failed, then support levels could be tested and broken. Key resistance was at USD 28,223. The futures have moved lower with the intraday divergence failing. Price is below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- close on the 4-hour candle above USD 26,209 with the RSI at or above 33 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 28,125 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 29,225 is the intraday technical bullish.
- Technically bearish with price currently in a trending environment, the near-term divergence failure is warning that the USD 25,915 and USD and USD 25,770 support levels are vulnerable. However, we have highlighted on the chart that we potentially have a longer-term divergence in play (11/01/23), meaning we continue to remain cautious at this point. Like yesterday, if we move lower and the divergence fails, then the USD 24,837 support could be tested.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,061	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

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 2,068
- Technically bearish yesterday with the USD 2,075 support looking vulnerable; however, a new low would create a positive divergence with the RSI, meaning we did not consider the futures a technical sell. The futures did trade to a low of USD 2,050 before finding light bid support, the near-term divergence has failed. 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 20,68 with the RSI at or above 46.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,092 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 2,115 is the technical bullish.
- We are bearish and in trend with the near-term divergence failing; however, we can see highlighted on the chart that there is a longer-term divergence in play dating back to the 23/01/23. A downside move below USD 2,048.5 will bring this divergence into play, meaning we continue to remain cautious on downside moves.

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