

## China

China extended its support for the economy with the largest injection of medium-term policy loans ever, as the nation's growth recovery remained fragile amid a housing slump and weak demand.

The People's Bank of China offered commercial lenders a net 800 billion yuan (\$112 billion) of one-year loans while keeping the interest rate on the funding unchanged. The injection was more than twice the amount seen by analysts queried in a Bloomberg survey and was also larger than the infusion last month. (Bloomberg)

## Copper

Copper jumped more than 3% in London, joining a risk-on rally seen across markets after the Federal Reserve gave the clearest signal yet that its historic policy tightening campaign is over.

Wednesday's Fed meeting, where policymakers signaled more aggressive interest-rate cuts in 2024, unleashed a bullish pulse that's touched virtually every corner of global finance. Traders are betting the Fed is on the cusp of engineering a once-unthinkable soft landing in the world's largest economy (Bloomberg).

## Al

Aluminum headed for its biggest weekly gain since September after China took more steps to bolster its economy and the Federal Reserve signaled rate cuts would be coming soon.

The People's Bank of China injected a record amount of cash via one-year policy loans on Friday, more than twice the amount forecast. That came after authorities announced a relaxation of home buying curbs in Beijing and Shanghai late on Thursday, aimed at reviving the country's moribund property market, a key source of demand for metals (Bloomberg).

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,512	R1	8,446	RSI above 50	Stochastic overbought
S2	8,465	R2			
S3	8,427	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI is above 50 (60)
- Price is above the daily pivot point USD 8,512
- Stochastic is overbought
- Technically bearish yesterday, we noted that the US Federal reserve rhetoric yesterday could potentially change the technical footprint of the market if we continued to see USD weakness. The MA on the RSI was flat, but showing signs that it could move higher, making USD 8,503 the key resistance to follow. If broken, then the probability of the futures trading to a new low would start to decrease. The Gap higher on the open indicated that momentum was supported, and sentiment had changed, warning resistance levels could be tested and broken. The futures continued to move higher with price trading above the USD 8,503 resistance, the probability of the futures trading to a new high has started to decrease. We have opened flat to slightly lower with price testing trend support, we are above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 8,512 with the RSI below at or below 51 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 8,376 will support a near-term bull argument, below this level the USD 8,267 fractal low will start to look vulnerable.
- Technically bearish with a neutral bias due to the strength on the pullback, the futures are now testing trend support at USD 8,516, a close below that holds below this level will warn on technical weakness, making USD 8,367 the key support to follow. The MA on the RSI is warning that momentum is supported, whilst the move above USD 8,503 would suggest that the USD 8,640 fractal high is now vulnerable. We are cautious on pullback from here as the RSI has recently broken resistance.

# Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,193	R1	2,210	RSI above 50	Stochastic overbought
S2	2,177	R2			
S3	2,164	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (63)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,193
- Technically we remained bearish yesterday with upside moves considered as countertrade; however, dollar weakness was moving markets higher, warning Elliott wave cycles could fail, making key resistance to follow at USD 2,180. If broken, then the probability of the futures trading to a new low would start to decrease. The MA on the RSI was moving higher, implying momentum support, alongside a bullish gap forming on the open, warning resistance levels were vulnerable. The futures did move higher resulting in price trading above the USD 2,180 and USD 2,217 resistance levels, meaning the technical is now bullish. Price is above the EMA resistance band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,193 with the RSI at or below 49.5 will mean that price and momentum are aligned to the sell side. Downside moves that hold at or below USD 2,146 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the RSI is trading to a new high with MA on the RSI is indicating that momentum is supported, suggesting downside moves now have the potential to be countertrend. We have seen a strong move higher with price above trend support; however, the trajectory of the trend does warn that we could see an intraday technical pullback soon.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,487	R1	2,511	RSI above 50	Stochastic overbought
S2	2,478	R2			
S3	2,464	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (63)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,487
- Technically we were bearish yesterday with upside moves considered as countertrend, based on the intraday Elliott wave cycle. However, the MA on the RSI implied that momentum was supported with the RSI above 50, whilst price had broken above the EMA resistance zone, warning the USD 2,506 level was starting to look vulnerable. If broken, then the probability of the futures trading to a new low would start to decrease. We noted that the move higher was a 3-wave pattern higher, implying it was still corrective, the momentum was a concern alongside the bullish gap, so we did have a note of caution on the technical. If we closed the gap, then the USD 2,403 support could be tested and broken. The futures continued to move higher resulting in the USD 2,506 resistance being broken, meaning the probability of the futures trading to a new low has started to decrease. 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 2,487 with the RSI at or below 52 will mean price and momentum are aligned to the sell side, downside moves that hold at or above USD 2,444 will support a near-term bull argument, below this level the USD 2,403 support will become vulnerable.
- Technically bearish with a neutral bias, the move above USD 2,506 means that the probability of the futures trading to a new low is decreasing. The MA on the RSI is still supported, warning that the USD 2,574 resistance remains vulnerable, implying we could see the bearish Elliott wave cycle fail.



# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	16,863	R1	16,925	RSI above 50	Stochastic overbought
S2	16,095	R2			
S3	15,840	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (57)
- Stochastic is overbought
- Price is above the daily pivot point USD 16,863
- Bearish with a neutral bias yesterday. The futures remained in the symmetrical triangle (current trend support and resistance USD 16,319 – USD 16,939), this was a neutral pattern. In theory, directional bias should come from a close that holds outside of the pattern. The daily EMA resistance zone was between USD 17,012 – USD 17,766, meaning an upside breakout will be into the daily EMA resistance band. The futures have moved higher with price just above trend resistance, 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 16,863 with the RSI at or below 49 will mean price and momentum are aligned to the sell side. Ver repetitive but....The next piece of dialogue remains unchanged again. Key resistance in terms of the Elliott wave cycle is at USD 17,694, we remain bearish below this level and neutral above in the near-term. However, we should note that this is an extended wave 3 with multiple timeframes in play (the time period in terms of the Elliott wave cycle is 720 min candle for the higher timeframe with key resistance at USD 19,463). In theory USD 17,964 is a key level on the 205-minute cycle and should hold, but we remain conscious of the larger cycle in play; as a break above this level, although not ideal and will ask questions on the wave cycle, it does not change the longer-term wave footprint.
- The futures are now at an inflection point, we are trading just above trend resistance having tested the downside a couple or times, suggesting it is supported. However, the break is still not clear, we have closed above the resistance, but now need to see evidence that the break has held (by moving higher), if we do, then resistance levels should in theory come under pressure. If we fail to hold, then we remain neutral within the price pattern. Note, the futures are now trading at the base of the daily EMA resistance band.

# Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,064	R1	2,085	RSI above 50	Stochastic overbought
S2	2,030	R2			
S3	2,016	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (55)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,064
- Unchanged today on the technical yesterday, we remained bearish with intraday Elliott wave analysis continuing to suggest that upside moves look like they will be countertrend. The MA on the RSI suggested that momentum was still supported, although there was a slight flattening of the average, implying it is potentially slowing down a little. The futures continue to move higher with price now above the EMA resistance band supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,064 with the RSI at or below 46.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,191 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- The futures continue to move higher with the MA on the RSI suggesting momentum is supported. Based on intraday Elliott wave analysis, we maintain our view that upside moves look like they will be countertrend at this point.