

## China

Traders are ramping up bets on more monetary easing in China this year, as a feeble economic recovery heaps pressure on authorities to cut interest rates and provide ample liquidity.

Chinese government bond yields are now at the lowest in nearly four years, while banks are able to raise short-term debt more cheaply in money markets than from the central bank. Signs that the People's Bank of China is softening its grip on the yuan and a fresh reduction to deposit rates by major commercial lenders also bode well for wagers on further policy easing. (Bloomberg)

## Cu

Copper gained along with other base metals to pare a weekly loss, on renewed investor optimism Chinese authorities will ease borrowing costs in 2024.

Traders are ramping up bets on more monetary easing in the top metal consuming nation this year, as a feeble economic recovery heaps pressure on authorities to cut interest rates and provide ample liquidity.

Friday's gains followed a soft start for base metals in 2024, amid pared expectations for US interest-rate cuts. Aluminum has fallen the most so far this week, as an alumina rally fueled by supply risks faded.

Copper rose 0.3% to \$8,490 a ton on the London Metal Exchange, and was down 0.8% for the week. Aluminum added 0.3% and nickel rose 0.5%, trimming weekly losses. (Bloomberg)

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,419	R1	8,489		RSI below 50
S2	8,363	R2			
S3	8,267	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- The RSI is below 50 (44)
- Price is above the daily pivot point USD 8,486
- Stochastic is below 50
- Technically bearish yesterday with price holding daily support band but below intraday resistance bands. Based on the new low on the RSI previously, we maintained our view that upside moves look like they could be countertrend. However, we had a note of caution as the move higher into the close previously was on the back of a positive divergence with the RSI on the 30-minute chart. It was a lower timeframe but could be a warning that intraday traders could look to test resistance levels in the near-term. The futures tested the downside for a second before finding light bid in the afternoon session. 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 8,486 with the RSI at or above 45.5 will mean price and momentum are aligned to the buyside; likewise, a close below this level with the RSI at or below 41 will mean it is aligned to the sell side.
- Technically bearish, the futures are holding on the daily EMA support band with the RSI now in divergence on the 4-hour chart. However, due to the RSI making a new low on the 03/01/24 we maintain our view that upside moves look like they could be countertrend. The MA on the RSI is now flat, warning sell side momentum is slowing down, supporting the divergence. This is warning that we are becoming vulnerable to an intraday (countertrend) upside move.

# Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	2,282	R1	2,282.5	Stochastic oversold	RSI below 50	
S2	2,260	R2				2,354
S3	2,222	R3				2,398

**Synopsis - Intraday**

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (43)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,290
- Technically bullish but in a corrective phase yesterday, the MA on the RSI continued to imply that momentum was weak with our intraday Elliott wave analysis suggesting the move lower was potentially countertrend. We were testing our key support at USD 2,282, if broken then the probability of the futures trading to a new high would start to decrease. 4 – hour momentum implied weakness, but the 1-and-2-hours charts are showing an RSI divergence, suggesting caution on downside moves, as they could struggle to hold. The futures have breached the USD 2,282 support with price now moving sideways (we are 10 bucks lower than yesterday morning). 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 2,290 with the RSI at or above 48 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 2,354 will leave the futures vulnerable to further test to the downside, above this level we have the potential to test the USD 2,398 fractal resistance.
- Technically bullish, due to the depth of the pullback we now have a neutral bias. The probability of the futures trading to a new high has started to decrease. The MA on the RSI continues to warn that momentum is weak; however, the average is starting to flatten a little warning sell side momentum could be slowing down a little. The Elliott wave cycle had warned that downside moves look to be countertrend, the technical is warning that upside resistance levels could struggle to hold in the near-term, as the RSI is making new lows. So, there is a confliction here.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,527	R1	2,553	Stochastic oversold	RSI below 50
S2	2,477	R2	2,583		
S3	2,439	R3	2,624		

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (43)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,553
- Technically bullish with a neutral bias yesterday, the probability of the futures trading to a new high had started to decrease. The MA on the RSI implied momentum weakness, whilst the new low on the RSI warned that upside moves could be countertrend, meaning we remained cautious on intraday moves higher. The futures continued to move lower, resulting in fractal support being 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 2,553 with the RSI at or above 47.5 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 2,624 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish the futures are starting to find light bid support on the 50% Fibonacci retracement of the move that started on the 11/12/23. This is also where the daily EMA support band is and warns that we could be vulnerable to an intraday move higher. However, we had previously completed a 5-wave pattern higher with the RSI making new lows, suggesting upside moves should still be considered as countertrend, making USD 2,624 the key resistance to follow. If broken, then the probability of the futures trading to a new low will start to decrease.

# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	15,995	R1	16,015	Stochastic oversold	RSI below 50
S2	15,606	R2			
S3	15,455	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (39)
- Stochastic is oversold
- Price is below the daily pivot point USD 16,190
- We remained neutral yesterday within the consolidation zone; however, the longer-term Elliott wave cycle was still bearish. A close below that held below USD 16,095 will warn that the USD 15,840 support could come under pressure; if this level is broken then we had the potential to trade as low as USD 14,815. Note: if you look at yesterday's chart compared to today's, you will see that the low on the 28/11/23 has changed from 15,840 to USD 15,995. I do not know why and cannot explain this. The futures have broken to the downside with price 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 16,190 with the RSI at or above 43.5 will mean price and momentum are aligned to the buy side.
- Technically bearish, the MA on the RSI is warning of momentum weakness, implying that support levels are vulnerable. Due to the data change, I no longer know if long-term fractal support is at USD 15,995 or USD 15,840. I will stick with USD 15,840 as this is where it has been previously, if this level is broken, then we have the potential to trade as low as USD 14,815.

# Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	2,030	R1	2,117	RSI below 50
S2	2,016	R2	2,149	
S3	1,972	R3	2,191	

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (47)
- Stochastic is below 50
- Price is above the daily pivot point USD 2,049
- Technically bearish with upside moves considered as countertrend yesterday. A close below that held below the USD 2,030 level would warn that the USD 2,016 fractal low could be tested and broken. If it was, we then had a potential downside target at USD 1,903 based on the Fibonacci projection levels from the Elliott wave cycle. The futures traded to a low of USD 2,040 before finding light bid support. We remain below the EMA resistance band with the RSI below 50, intraday price and momentum are now aligned to the buyside.
- A close on the 4-hour candle below USD 2,049 with the RSI at or below 42.5 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.
- Unchanged on the technical, we remain bearish with upside moves considered as countertrend. A close below that holds below the USD 2,030 level will warn that the USD 2,016 fractal low could be tested and broken. If it is, we then have a potential downside target at USD 1,903 based on the Fibonacci projection levels from the Elliott wave cycle.