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Demand for industrial metals from iron ore to copper is not expected to receive support from new Chinese policies this year, with Beijing holding off major stimulus even as the property crisis rolls on.

Speaking to leaders at the World Economic Forum, Chinese Premier Li Qiang gave his clearest signal yet that Beijing won't resort to huge stimulus to revive growth, even after the country recorded its worst deflationary streak since the Asian Financial Crisis. His comments come as fresh data on Wednesday showed China's property starts down 10% and sales falling 13% in December from a year ago.

Citigroup Inc. said in a note that the effects of weakness in the sector would be felt in steel demand during 2024's first half, with sales and starts to continue to slump this year to levels not seen in more than a decade.

China's economy grew 5.2% last year, reaching an official target. Still, the world's biggest metals consumer has failed to shake off problems persistently weighing on domestic demand and confidence. A slew of indicators for home prices and property-related spending have disappointed, while deflation remains stubborn. Home prices fell last month by the most since 2015 (Bloomberg).

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,263	R1	8,295	Stochastic oversold	RSI below 50
S2	8,216	R2			
S3	8,150	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- The RSI is below 50 (43)
- Price is below the daily pivot point USD 8,297
- Stochastic is oversold
- Technically bearish yesterday with price and momentum aligned to the sell side, warning that the USD 8,292.5 fractal low could be tested and broken. If it was, then our Elliott wave analysis suggested that we had the potential to trade as low as USD 8,216 for this phase of the cycle. However, as noted previously, a new low would create a positive divergence with the RSI, implying caution on downside breakouts. Based on the longer-term Elliott wave cycle, upside moves should be considered as countertrend. The futures traded to a low of USD 8,258 before finding light bid support on the Asian open. We remain below the EMA resistance band with the RSI below 50, intraday price and momentum are now conflicting, as the previous candle closed above the daily pivot level.
- A close on the 4-hour candle above USD 8,297 with the RSI at or above 46 will mean price and momentum are aligned to the buy side; likewise, a close below this level will mean it is aligned to the sell side. Upside moves that fail at or below USD 8,391 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias, warning we are entering a countertrend Elliott wave B. If resistance is broken, Fibonacci levels will be adjusted from the USD 8,716 high to the USD 8,258 low, to account for the wave B.
- We remain in a bearish trending environment; however, the new low yesterday has created a positive divergence with the RSI. Not a buy signal, it is a warning that we have the potential to see a momentum slow-down, which will need to be monitored. Intraday Elliott wave analysis still suggests that we have the potential to trade as low as USD 8,216, with upside moves considered as countertrend. Due to the divergence, we are a cautious bear at these levels, meaning that the futures are not considered a technical sell, as we are now vulnerable to an intraday move higher.

# Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,172	R1	2,184.5	Stochastic oversold	RSI below 50
S2	2,151	R2			
S3	2,122	R3			

**Synopsis - Intraday**

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (35)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,189
- Technically bearish yesterday, we had a small move higher that failed to hold yesterday which had put the MA above the RSI, with the MA starting to flatten. This implied that momentum was slowing down, if we traded below USD 2,195 then the futures would be in divergence with the RSI. We were bearish with upside moves considered as countertrend, but remained cautious on downside moves at these levels. The futures traded to a low of USD 2,175 before finding light bid support on the open. We remain 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 2,189 with the RSI at or above 38.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,322 will leave the futures vulnerable to further test to the downside, above this level the technical will have a neutral bias.
- Technically we remain bearish, the intraday Elliott wave cycle continues to suggest that upside moves have the potential to be countertrend at this point. The downside move yesterday has resulted in the divergence failing; however, the MA on the RSI is flat, implying momentum is neutral with the RSI testing its average. Despite the divergence failure, we continue to see warning signs that momentum is slowing down, meaning we maintain a cautious view on downside moves at these levels. If price and momentum become aligned to the buyside, the futures will be vulnerable to an intraday move higher.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,465	R1	2,470.5	Stochastic oversold	RSI below 50
S2	2,425	R2			
S3	2,373	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 2,492
- Due to the USD 2,532 support being broken yesterday, the futures were back in bearish territory, warning support levels were vulnerable. We were trading on the weekly pivot point (USD 2,515), if we closed below this level on the daily chart, it would further support a bearish argument. The MA on the RSI was flat, implying momentum could be transitioning to the sell side. The futures traded to new low yesterday, resulting in price closing below the weekly pivot level. We remain below all key moving averages with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,492 with the RSI at or above 48.5 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 2,561 will leave the futures vulnerable to further test to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the MA on the RSI is indicating momentum remains weak at this point, implying upside moves still have the potential to be countertrend. A small note of caution, as the 60 min RSI was in divergence on the new low on the open, warning we are starting to look vulnerable to an intraday move higher in the near-term, meaning we are cautious on downside moves today.



# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	16,133	R1	16,240	Stochastic oversold	RSI below 50
S2	15,840	R2			
S3	15,606	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is below 50 (48)
- Stochastic is oversold
- Price is above the daily pivot point USD 16,113
- We remain bearish with upside moves considered as countertrend yesterday, we continued to have a note of caution on moves higher due to the daily resistance band. The RSI was back below its MA which had started to flatten a little after yesterday's intraday test to the upside; however, the downside move previously had broken a minor fractal support, warning that the USD 15,895 – USD 15,840 support zone continues to look vulnerable. The futures traded to a low of USD 16,000 before finding light bid support into the close; however, price is starting to move higher this morning. We are now trading in the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 16,113 with the RSI at or below 42 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 16,871 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 have moved high on the open with price now in the EMA resistance zone, a move above USD 16,255 will warn that the USD 16,460 resistance could come under pressure. The MA on the RSI is flat, implying momentum is neutral at this point. We continue to remain cautious on upside moves due to the daily resistance zone above us.

# Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,040	R1	2,070	Stochastic oversold	RSI below 50
S2	2,009	R2	2,121.5		
S3	1,974	R3	2,132		

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (43)
- Stochastic is below 50
- Price is below the daily pivot point USD 2,070
- Technically bearish yesterday with upside moves considered as countertrend, the futures had broken fractal support with the MA on the RSI moving lower, implying momentum was weakening, warning we had the potential to move lower from here. We were trading below the weekly pivot level (USD 2,086), if we closed on the daily candle below this level, it would further support a seller's argument. We continued to move lower with price closing below the weekly pivot level. Price is below all key moving averages with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,070 with the RSI at or above 52 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,209 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 still considered as countertrend. The MA on the RSI continues to warn that momentum remains weak at this point.