

China

The People's Bank of China provided 150 billion yuan (\$20.9 billion) worth of low-cost funds for lending to housing and infrastructure projects last month, stepping up support for the economy.

The outstanding amount of the PBOC's Pledged Supplemental Lending program to policy-oriented banks 3.4 trillion yuan at the end of January, according to a central bank statement on Thursday. (Bloomberg).

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A number of hedge fund managers are betting that copper stocks are significantly undervalued, as they position themselves for gains this year.

Funds including Tribeca Investment Partners, Terra Capital and Anaconda Invest all say the supply dynamics support price increases in 2024.

Those bullish bets follow a supply setback that's just a few months old, with key mines running into trouble at the end of last year. The upshot is that what had looked like a clear case of excess supply has now morphed into a likely deficit, according to Todd Warren, a portfolio manager at Tribeca.

"We see a very strong trade in the foreseeable future, primarily because of the supply challenge," Warren said in an interview.

Matthew Langsford, who runs a A\$180 million (\$120 million) natural resources fund at Sydney-based Terra Capital, said he now sees "at least 50% upside" in prices by the end of 2024. Copper "should have a sustained bull market," and with "growing demand and constrained supply, I think you have the likelihood of dramatic price upside in the next two or three years."

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	8,472	R1	8,488	Stochastic overbought	RSI below 50	
S2	8,464	R2				8,546
S3	8,363	R3				8,567
					8,593	

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- The RSI below 50 (46)
- Price is below the daily pivot point USD 8,546
- Stochastic is oversold
- Technically bullish yesterday, having achieved our upside target the futures had entered a corrective phase with price testing key support, if broken, then the probability of the futures trading to a new high would start to decrease. We maintained a cautious view on upside moves, as the upside wave cycle looked to have completed, implying support levels could be tested and broken. The futures continued to sell lower with price now below the EMA support band, the RSI is below 50 with price and momentum aligned to the sell side.
- A close on the 4-hour candle above USD 8,546 with the RSI at or above 57.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 8,629 will leave the futures vulnerable to further tests to the downside, above this level the USD 8,704.5 fractal high will start to look vulnerable.
- Technically bullish, we now have a neutral bias due to the futures breaking the USD 8,551 support, the probability of the futures trading to a new high has started to decrease. The MA on the RSI is implying momentum remains weak, whilst the new low in the RSI would suggest that upside moves could fail to hold at this point. Support levels continue to look vulnerable; downside moves below USD 8,472 will confirm the technical is bearish, whilst a close below the weekly pivot level (USD 8,479) will weaken the technical further.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,237	R1	2,240	Stochastic is oversold	RSI below 50
S2	2,205	R2	2,278		
S3	2,176	R3	2,316		

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA support band (Black EMA's)
- RSI is below 50 (48)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,256
- Technically bearish yesterday, The MA on the RSI remained flat, meaning momentum was still neutral. However, we highlighted a 3-peak pattern in quick succession with price breaking a minor fractal at USD 2,261. We noted that this could be a warning sign that the market was exhausting (not always), suggesting market buyers should be cautious on upside moves, as the pattern suggested that support levels were starting to look vulnerable. The futures have sold lower with price testing the USD 2,237 support with price now trading in the EMA support band. The RSI is below 50 with price and momentum aligned to the sell side.
- A close on the 4-hour candle above USD 2,256 with the RSI at or above 58.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,316 will leave the futures vulnerable to further test to the downside, above this level the technical will have a neutral bias.
- Technically bearish with price testing the USD 2,237 support, we have the intraday 200-period MA at USD 2,234. A close below that holds below the average will further weaken the technical argument, warning the USD 2,204 fractal support could be tested and broke. Likewise, if we hold support, and see price and momentum below aligned to the buyside, we have the potential to see another test to the higher. The MA on the RSI is implying momentum weakness whilst the RSI is making new lows, suggesting support levels could be tested and broken, whilst upside resistance should hold if tested in the near-term.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,463	R1	2,488	Stochastic oversold	RSI below 50
S2	2,445	R2	2,516		
S3	2,425	R3	2,533		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (32)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,488
- Technically bearish yesterday, as price had traded below the USD 2,499 level and closed below the weekly pivot support. The MA on the RSI was moving lower, implying momentum was weakening. The technical suggested that support levels were vulnerable whilst the RSI low implied that resistance levels should in theory hold if tested. The futures continue to move lower with price breaking support levels. We are below the EMA resistance 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 2,488 with the RSI at or above 44.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,556 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically unchanged, the MA on the RSI continues to warn that momentum is weak with the RSI making new lows. This suggests that intraday upside moves look like they will be countertrend at this point, warning that the USD 2,445 fractal low could be tested and broken.

Nickel Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	16,250		RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (46)
- Stochastic is below 50
- Price is below the daily pivot point USD 16,213
- 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 continued to warn of momentum weakness with price having closed below the weekly pivot point, having rejected the EMA resistance band. We remained cautious on upside moves, as the technical suggested that support levels were vulnerable. The futures traded up to the Fibonacci resistance zone before selling lower in the Asian day session. We are below the EMA support band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 16,213 with the RSI at or below 45 will mean price and momentum are aligned to the sell side; likewise, a close above this level with the RSI at or above 49.5 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 16,546 will leave the futures vulnerable to further tests to the downside, above this level the USD 16,795 fractal high will start to look vulnerable.
- We remain bullish with a neutral bias; the MA on the RSI is now starting to flatten implying momentum is neutral. However, we remain below the weekly pivot level (USD 16,423) with price below the EMA resistance band. For this reason, we remain cautious on upside moves at this point.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,143	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA support band (Black EMA's)
- RSI is below 50 (49)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,146
- Technically bearish with upside moves considered as countertrend yesterday, the futures were at a bit of an inflection point, as price was in the EMA support band whilst the RSI was neutral at 50. Momentum was conflicting as the stochastic is oversold, if the RSI could hold above 50 then we could be vulnerable to a move higher, below 50 the stochastic was considered as less relevant. Countering this, the MA on the RSI warned that momentum was weakening. The futures were now in balance, meaning we had more of a neutral view at this point until directional bias is established. The futures have seen a small move lower with price still trading in the EMA support band with the RSI near neutral at 49, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,146 with the RSI at or above 54.5 will mean price and momentum are aligned to the buy side. 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. Likewise, downside moves that hold at or above USD 2,096 will support a near-term bull argument, below this level the USD 2,049 fractal support will start to look vulnerable.
- The technical is bearish; however, we remain at an inflection point as momentum continues to conflict. If the RSI holds below 50 then support levels will start to look vulnerable due to the weakening momentum indicators. Key near-term support is at USD 2,096, if broken then the USD 2,049 support level could come under pressure.