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Copper held Tuesday's advance as China's production of the refined metal fell in January and risk appetite improved on hopes that the top consumer will take more forceful measures to prop up the stock market.

The metal has traded in a relatively narrow range recently as investors weigh a mixed picture of a slower Chinese economy, declining inventories and potential increased demand from the green energy transition.

Refined copper output in China fell 3% to 970,000 tons in January from a month earlier on maintenance work and tight supply of blister, according to researcher Shanghai Metals Market, citing a survey of smelters. That's on top of more potential cuts because of record-low processing fees. (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,368	R1	8,397.5	Stochastic oversold	RSI below 50
S2	8,326	R2			
S3	8,273	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA Resistance band (Black EMA's)
- The RSI below 50 (41)
- Price is on the daily pivot point USD 8,398
- Stochastic is oversold
- Technically bearish yesterday, the MA on the RSI continued to warn of momentum weakness; however, the average had started to flatten a little, indicating there had been some slowdown in sell side momentum. As previously noted, we maintained our view that upside moves should be considered as countertrend. The futures have seen a small move higher, but we remain below the EMA resistance band with the RSI below 50, intraday price and momentum are conflicting as price is on the daily pivot with the RSI is on its MA.
- A close on the 4-hour candle above USD 8,398 with the RSI at or above 43.5 will mean price and momentum are aligned to the buy side; likewise, a close below this level with the RSI at or below 39 will mean it is aligned to the sell side. Upside moves that fail at or below USD 8,587 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, momentum indicators are now neutral; however, based on the recent low in the RSI, we maintain our view that upside moves should be considered as countertrend. If we do trade above the USD 8,587 resistance, then the probability of the futures trading to a new low will start to decrease, warning the bearish corrective cycle could terminate early.

Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,227.50		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 (47)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,224
- Technically bearish yesterday, the MA on the RSI warned of momentum weakness, but the RSI was testing its the average. If it closed above and held above it, then it would warn that sell side momentum was slowing. However, based on the RSI breaking support and making new lows, we maintained our view that upside moves look like they could be countertrend. The daily 200-period MA was at USD 2,226, if we closed above it and held above it, then it would warn that we could be in a countertrend move higher. The futures moved higher resulting in the RSI crossing its MA yesterday. Price is below/on 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 2,224 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 2,316 will leave the futures vulnerable to further test to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the futures are now potentially in the early stages of a countertrend move higher. The 200 period MA (daily) is at USD 2,225 meaning we did close just above it yesterday (USD 2,230.5) with price now trading on it this morning. As noted yesterday, due to the RSI breaking support and making a new low, we maintain our view that upside moves should be considered as countertrend at this point.

Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,420	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 (30)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,432
- Technically bearish yesterday, we were seeing a momentum slowdown; however, the recent low in the RSI suggested that upside moves had the potential to be countertrend. The 1-hour chart remained divergent. We were a cautious bear at these levels as the futures are looking vulnerable to an intraday move higher. We did see a small move higher yesterday with price selling lower in the Asian day session. We remain below all key moving averages supported by the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 2,432 with the RSI at or below 28 will mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is aligned to the buy side. Upside moves that fail at or below USD 2,541 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, intraday Elliott wave analysis is indicating we have a potential downside target at USD 2,327. However, below USD 2,416 the futures will be in divergence with the RSI, not a buy signal it is a warning that we have the potential to see a momentum slowdown which will need to be monitored. Upside moves are still considered as countertrend at this point; if we trade below USD 2,416 then the technical will suggest caution on upside moves. If we trade below USD 2,416, then key fractal resistance will be at USD 2,445, meaning the technical will be bullish above this level, providing a new low has been achieved.

Nickel Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	15,890	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 (37)
- Stochastic is oversold
- Price is below the daily pivot point USD 15,961
- Technically bearish previously, the new low on the RSI suggested that upside moves had the potential to be countertrend, making USD 16,322 the key resistance to follow. If broken, then the probability of the futures trading to a new low would start to decrease. Downside moves on the daily chart that close below and hold below the USD 15,840 low will warn that the technical is breaking the consolidation phase to the downside. The futures traded to a low of USD 15,850 before moving sideways. 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 15,961 with the RSI at or above 42.5 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 16,308 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically unchanged, we remain bearish with upside moves considered as countertrend based on the RSI making a new low previously, making USD 16,308 the key resistance to follow. If broken, then the probability of the futures trading to a new low will start to decrease. As noted yesterday, if we close below and hold below the USD 15,840 fractal support, then the futures will be breaking out of the longer-term range to the downside.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,117	Stochastic oversold	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 (43)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,121
- Technically bearish yesterday, the MA on the RSI continued to suggest that momentum was weak. If we traded below the USD 2,096 support, then it would warn that the USD 2,049 fractal low would start to look vulnerable. If we held this level, it would support a near-term bull argument. We traded to a low of USD 2,106 before finding light bid support. The futures 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 2,121 with the RSI at or above 46 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,154 will leave the futures vulnerable to further tests to the downside, above this level the USD 2,179 fractal resistance will start to look vulnerable. Key longer-term resistance remains unchanged at USD 2,209.
- Unchanged on the technical today. We remain bearish with the MA on the RSI continuing to warn that momentum is weak; based on the RSI breaking support and trading to a new low, intraday upside moves look like they could be countertrend. As noted previously, a move below USD 2,096 will warn that the USD 2,049 fractal low will start to look vulnerable; however, if we hold this level it will support a near-term bull argument.