



Base Morning Technical Report

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China

China's credit growth surged to a record high in January as demand for financing showed signs of improvement in the wake of government measures to support the economy.

Aggregate financing was 6.5 trillion yuan (\$903 billion), the People's Bank of China said Friday. That compared with 1.94 trillion yuan in December and 6 trillion yuan in the same month last year. The median estimate among economists surveyed by Bloomberg was 5.6 trillion yuan.

Financial institutions offered 4.92 trillion yuan of new loans in the month, versus a projected 4.5 trillion yuan. (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,177	R1	8,230.5	Stochastic oversold	RSI below 50
S2	8,109	R2			
S3	8,052	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA Resistance band (Black EMA's)
- The RSI below 50 (32)
- Price is above the daily pivot point USD 8,257
- Stochastic is oversold
- Technically bearish yesterday, the MA on the RSI had started to flatten, warning sell side momentum was slowing down. On the 1-hour chart the RSI was in divergence with price, this also warned that we could be about to see a momentum slowdown. The lower timeframe technical warned that this phase of the cycle was showing signs of exhaustion; however, if our Elliott wave analysis was correct, the move lower looks to be a bearish wave A, meaning the next move higher should in theory be a countertrend wave B. Key resistance was at USD 8,565, if we traded above this level then the probability of the futures trading to a new low would start to decrease, warning the bearish wave cycle had a greater chance of failure. We were cautious on downside moves. The futures broke lower, with price trading down to USD 8,182.5 before finding light bid support. 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 8,257 with the RSI at or above 39 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 8,527 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- The break lower without a technical pullback yesterday means the futures remain within the first stage of the corrective cycle (wave A), indicating upside moves should still be considered as countertrend. The MA on the RSI is implying that momentum remains weak with the lower timeframe divergence failing. We have seen little price movement on the open today due to the CNY holidays.

Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,218		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 (45)
- Stochastic is below 50
- Price is below the daily pivot point USD 2,229
- Unchanged on the technical yesterday, we remained bearish with upside moves looking like they could be countertrend, the 200-period EMA remained at USD 2,225, meaning we continued to trade on it. We have seen a small move lower 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 2,229 with the RSI at or above 50 will mean price and momentum are aligned to the buy 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 with upside moves still looking like they could be countertrend, the futures rejected the upside yesterday with price closing below the 200-period MA (USD 2,225), we are below the average today. However, yesterday's candle was a long legged Doji, indicating there is still indecision in the market. Market sellers still need to see a move lower, as the break is not yet definitive.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,296	R1	2,413	Stochastic oversold	RSI below 50
S2	2,255	R2			
S3	2,204	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (19)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,357
- Technically bearish yesterday, we maintained a potential downside target at USD 2,327. Due to the divergence in play, we were cautious on moves lower, as it warned that sell side momentum could slow down. We also noted that with the RSI being above its MA whilst in divergence also supported a momentum slow-down. Like copper, the futures broke to the downside, the RSI moved below its average and the divergence failed. The futures have now traded below our downside target of USD 2,327. We are 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 2,357 with the RSI at or above 29.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,507 will leave the futures vulnerable to further tests to the downside.
- Technically bearish, like copper, we were not expecting such a strong move lower due to the divergences in play. The strength of the move lower has changed the Elliott wave footprint on the lower timeframe, meaning we are seeing a wave extension. What had looked like a wave 5 is now looking like a wave 3 extension, meaning the USD 2,445 fractal resistance is less relevant; this also means that upside moves should be considered as countertrend. The MA on the RSI is now warning that momentum remains weak at this point.

Nickel Morning Technical (4-hour)



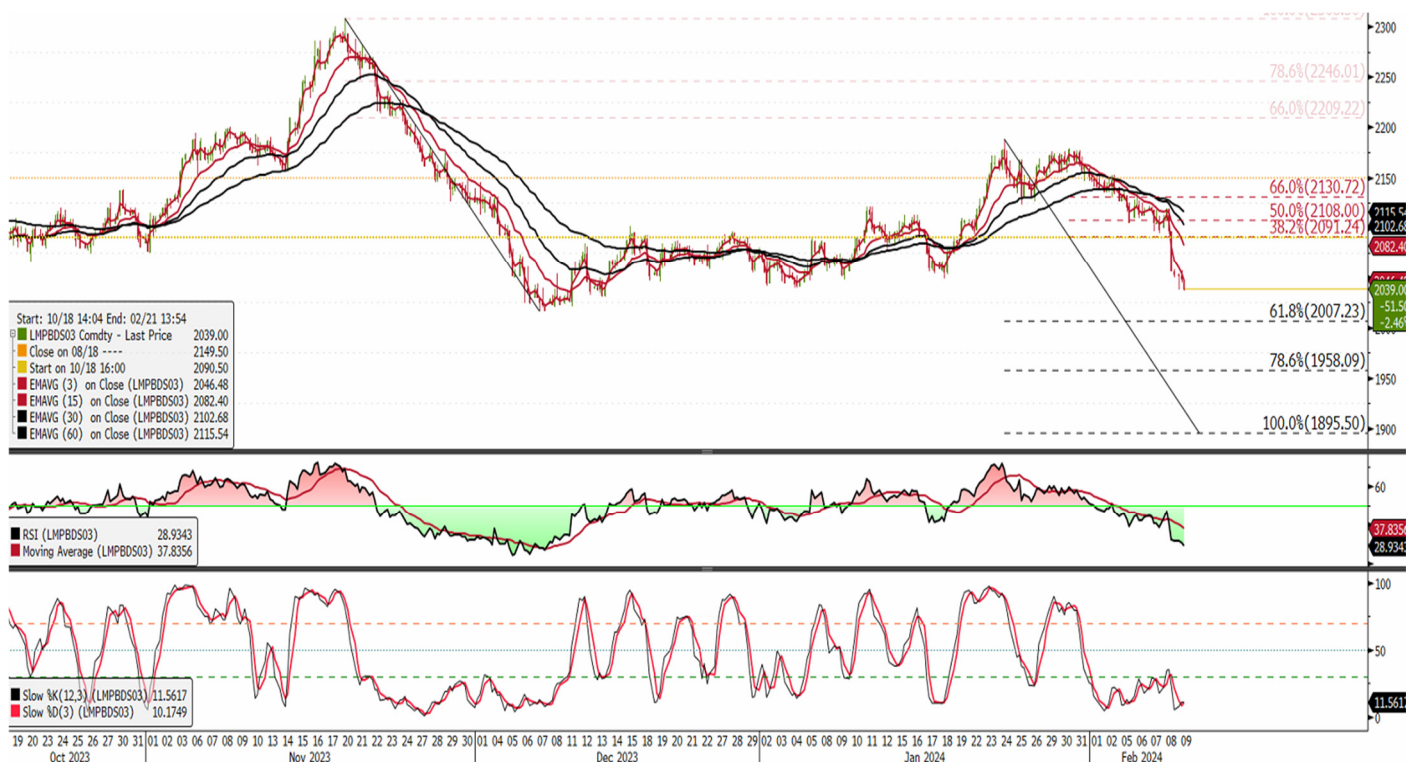
Support	Resistance	Current Price	Bull	Bear
S1	R1	16,125		RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is below 50 (49)
- Stochastic is above 50
- Price is above the daily pivot point USD 16,056
- Technically bearish yesterday, the RSI was neutral at 50, but the MA on the RSI was turning higher, warning that we were seeing momentum support. The upside move continued to look like it could be countertrend, based on the recent low created by the RSI. If however, the futures trade above the USD 16,308 level it would warn that the probability of the futures trading to a new low would start to decrease, meaning we could see the bearish wave cycle fail. The futures traded to a low of USD 15,905 but the move failed to hold due to the momentum support, resulting in the futures trading back into the EMA resistance band. The RSI is neutral at 49.7 with price and momentum aligned to the buy side.
- A close on the 4-hour candle below USD 16,056 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 16,308 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- We remain bearish, the MA on the RSI continues to imply that momentum is supported with the RSI near neutral at 49.7. We rejected the downside yesterday but continue to hold in/below the resistance band with upside moves still looking like they could be countertrend. Due to the momentum support, market sellers will need to see price and momentum become aligned to the sell side for confirmation that the USD 15,850 low is vulnerable. Key fractal support is at USD 15,840, dating back to the low on the 27/11/23. A close below that holds below this level will warn that we are breaking the range to the downside.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,007	R1	2,039	Stochastic oversold	RSI below 50
S2	1,958	R2			
S3	1,895	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (28)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,073
- Technically bearish yesterday, the breach in support meant that the probability of the futures trading to a new high had started to decrease, warning that the USD 2,078 – USD 2,049 support levels were vulnerable. We noted that if price and momentum become aligned to the sell side, then we should in theory trade below and close below the 200-period MA at USD 2,095. The futures sold below all support levels yesterday on the back of the support breach. We are below all key moving average 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 2,073 with the RSI at or above 40 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,130 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.
- As noted, since early December, the upside move in the futures has looked to be countertrend based on our Elliott wave analysis. The breakdown in the futures over the last two session is now warning that the USD 2,016 fractal low could/should be tested and broken, we maintain our view that upside moves look to be countertrend at this point, with the MA on the RSI implying momentum is weak at this point.

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