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Lead fell to a two-month low as inventories tracked by the London Metal Exchange jumped to the highest level since 2017, driven by a surge in deliveries into Singapore warehouses.

Stockpiles rose for a ninth day, putting pressure on prices as trading activity in industrial-metal markets wound down ahead of China's Lunar New Year holiday. Zinc also dropped as inventories climbed for a third day, while copper traded little changed.

There were fresh signs of subdued demand conditions in the Chinese economy as data showed loan growth fell to a record low last month, overshadowing an unexpected pickup in credit and suggesting that borrowing demand remains weak. That's partly due to the slump in the property sector, which once accounted for almost a third of all loans and is a major driver of commodity demand.

LME lead prices fell 1.1% to \$2,033 a ton as of 11:54 a.m. in London. Zinc was 0.3% higher and copper edged above \$8,200 a ton. (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	8,192	R1	8,197		RSI below 50	
S2	8,127	R2				8,325
S3	8,109	R3				8,363

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA Resistance band (Black EMA's)
- The RSI below 50 (38)
- Price is below the daily pivot point USD 8,247
- Stochastic is below 50
- Technically bearish yesterday, the futures were trading in the Fibonacci resistance zone whilst the MA on the RSI was turning higher, implying momentum support. We noted that we were at an inflection point, in theory, based on our intraday Elliott wave cycle the upside moves was potentially countertrend. However, if we did trade above USD 8,325, then the probability of the futures trading to a new low would start to decrease. The futures traded up to but not above the USD 8,325 resistance, resulting in the futures producing a technical pullback. We are below all key moving averages supported by the RSI below 50, intraday price and momentum are conflicting, as the RSI is on its MA.
- A close on the 4-hour candle below USD 8,247 with the RSI at or below 37 will mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is aligned to the buyside. Upside moves that fail at or below USD 8,325 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias (rejected yesterday).
- Technically bearish, the MA on the RSI is warning that there is still momentum support; however, the downside move has breached the USD 8,192 support, suggesting caution on upside moves. Working on the basis that price being the lead indicator (everything is derived from price), the breach in support on the open this morning is warning that the USD 8,127 fractal low is starting to look vulnerable. Based on our intraday Elliott wave analysis, we maintain our view that upside moves still look like they will be countertrend at this point.

Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,216.5		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 2,227
- Technically bearish yesterday, we had closed back above the daily 200-period average (USD 2,223) with price testing the intraday 4-hour 200-period average (USD 2,245). A close above that held above this level would further support an intraday bull argument, warning that the USD 2,251 and USD 2,278 resistance levels could come under pressure in the near-term. If we failed to close above the intraday average, there was a chance we could consolidate between USD 2,223 – USD 2,245 over the coming days. The longer-term technical was still bearish with key resistance at USD 2,316, above this level the probability of the futures trading to a new low will start to decrease. The futures traded to an intraday high of USD 2,250 but we failed to hold above the intraday 200-period MA, resulting in the futures selling lower, and closing below the daily 200 – period MA. 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 2,227 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, the futures have rejected the intraday average and closed below the longer-term daily average (200-period daily currently at USD 2,223). If we hold below this level and traded below the USD 2,203 fractal support, then the USD 2,145 and USD 2,104 support levels will start to look vulnerable. However, as previously noted, the break is not yet definitive at this point, meaning we need to see further downside still.

Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,295		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 (32)
- Stochastic is below 50
- Price is below the daily pivot point USD 2,319
- Technically bearish yesterday, the MA on the RSI was indicating that we are seeing momentum support. The futures were moving higher on the intraday divergence we highlighted previously; however, our intraday Elliott wave cycle continued to suggest that upside moves should be considered as countertrend, making USD 2,494 the key resistance to follow. If broken, then the probability of the futures trading to a new low would start to decrease. The upside move failed to hold, resulting in price moving lower. We remain below all key moving averages with price and momentum now conflicting.
- A close on the 4-hour candle below USD 2,319 with the RSI at or below 30 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 2,494 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, our intraday Elliott wave cycle continues to suggest that upside moves should be considered as countertrend at this point. The RSI is testing its MA, which continues to warn of momentum support; however, if the RSI does close below the average and price and momentum become aligned to the sell side, then we could see the USD 2,278 be tested and broken.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	16,205	R1	16,280	RSI above 50	Stochastic overbought
S2	16,036	R2			
S3	15,840	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (57)
- Stochastic is overbought
- Price is above the daily pivot point USD 16,205
- Technically bearish with upside moves considered as countertrend yesterday. The MA on the RSI remained flat with price trading in the EMA resistance band, this was also flat. Like the previous day, there was a more neutral bias in the market, despite the small move higher. The futures have seen another upside move with price now above the EMA resistance band supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 16,205 with the RSI at or below 47.5 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. Likewise, downside moves that hold at or above USD 16,036 will support a near-term bull argument, below this level the USD 15,900 – USD 15,840 fractal support zone will start to look vulnerable.
- Technically bearish, our intraday Elliott wave analysis continues to suggest that upside moves look like could be countertrend. However, the MA on the RSI is warning that momentum is supported with price now trading just below our key resistance at USD 16,308, if broken, then the probability of the futures trading to a new low will start to decrease. Momentum does suggest that resistance levels are vulnerable, but price is now trading in the daily EMA resistance band, meaning we maintain a cautious view on upside moves at this point.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,003	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 (32)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,008
- Technically bearish yesterday, the move higher previously had been followed by the move to a new low, creating a positive divergence with the RSI, implying resistance levels could come under pressure. However, our intraday Elliott wave analysis continues to suggest that upside moves should be considered as countertrend still. The futures have continued to sell lower with price breaking the long-term fractal low at USD 2,016. 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 2,008 with the RSI at or above 36 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,116 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 remain 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. However, intraday Elliott wave analysis continues to suggest that upside moves should be considered as countertrend at this point. A cautious bear at these levels due to the divergence that is in play.