

## China

People's Bank of China Governor Pan Gongsheng in January signaled he's ready to ease policy to fight deflation. He's likely to deliver on that message on Sunday, when we see the PBOC cutting rates.

We expect the PBOC to lower its one-year medium-term lending facility rate by 10 basis points to 2.40%, the first cut since a 15-bp move last August. This would prompt banks to trim their loan prime rates by 10 bps on Feb. 20.

China's interbank market will open for business Sunday, an arrangement related to the timing of the Lunar New Year holiday this year.

The economy needs support, with the CPI falling at the fastest pace in January since 2009 in the wake of the Global Financial Crisis and the official manufacturing PMI in registering in contractionary territory for four straight months. (Bloomberg).

## Cu

Copper extended a weekly gain, with some analysts predicting that the market could soon turn decisively higher as bearish investors are forced to unwind heavy bets against the metal viewed as a global economic bellwether.

Prices climbed as much as 1.5% to trade above \$8,300 a ton on the London Metal Exchange, trimming losses racked up this month amid a slowdown in China and strong economic conditions in the US that could keep interest rates elevated for longer.

## Zn

Zinc inventories in warehouses tracked by the London Metal Exchange rose by 5,000 tons to 264,825 tons, according to data from the bourse.

Stockpiles up 35% over the past eight days, in longest run of rises since August 2015

Increase driven by deliveries into Singapore

LME zinc prices +0.7% to \$2,371/ton at 9:19 a.m. in London, as most metals rise

## Ni

Australia has added nickel to its Critical Minerals List in a move aimed at supporting its flailing domestic industry, which is competing with oversupply from cheap exports from Indonesia.

Adding nickel to the list will allow miners and downstream stakeholders to access the A\$6 billion (\$3.9 billion) available via the Critical Minerals Facility – a government fund aimed at ensuring Australia is at the forefront of the green metals transition.

The move comes after Indonesia ramped up production during 2023, and it now produces more than half of the global nickel supply. The flood of cheap exports from the nation has seen benchmark prices crater and led to the closure of at least six nickel projects in Australia over the past year.

New source from Bloomberg

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,286	R1	8,338	RSI above 50	Stochastic overbought
S2	8,244	R2			
S3	8,188.5	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA Resistance band (Black EMA's)
- The RSI above 50 (54)
- Price is above the daily pivot point USD 8,286
- Stochastic is overbought
- Technically bearish on the last report, the MA on the RSI warned that we had momentum support; however, the downside move had breached the USD 8,192 level, 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 previously, warned that the USD 8,127 fractal low was starting to look vulnerable. Based on our intraday Elliott wave analysis, we maintained our view that upside moves still look like they would be countertrend. We were wrong on this as the futures have moved higher than expected, resulting in the futures trading above the USD 8,325 resistance, the technical is still bearish but now has a neutral bias. We are above the EMA resistance band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 8,286 with the RSI at or below 43 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 8,244 will support a near-term bull argument, below this level the USD 8,188 fractal support will start to look vulnerable.
- Technically bearish but with a neutral bias, the probability of the futures trading to a new low has started to decrease. The MA on the RSI is implying momentum support whilst the RSI had moved above 50. However, this is still a two-wave pattern higher, meaning it could still be a countertrend corrective wave pattern. Due to the technical conflicting, we have a more neutral bias, as the upside move has been higher than expected.

# Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	2,203	2,221		RSI below 50
S2	2,145			
S3	2,104			
	R1	2,228		
	R2	2,251		
	R3	2,278		

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (47)
- Stochastic is below 50
- Price is below the daily pivot point USD 2,228
- Technically bearish previously, the futures had rejected the intraday average and closed below the longer-term daily average (200-period daily was at USD 2,223). If we held below this level and traded below the USD 2,203 fractal support, then the USD 2,145 and USD 2,104 support levels would start to look vulnerable. However, as previously noted, the break was not yet definitive at this point, meaning we need to see further downside. Little has changed in the last two sessions with price continuing to trade around the 200-period daily average (USD 2,222). We are below the EMA 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 2,228 with the RSI at or above 51.5 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.
- Unchanged on the technical with price remaining bearish; however, the EMA band and the daily 200 hundred period averages are both flat with price continuing to trade around them. This indicates that there is a lack of direction bias in the market, meaning price action is neutral at this point. If we trade below and close below USD 2,203, it will warn of downside continuation. Likewise, a move above USD 2,251 will mean resistance levels could come under pressure.

# Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,373	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is above 50 (52)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,348
- Technically bearish on our last report, our intraday Elliott wave cycle continued to suggest that upside moves should be considered as countertrend. The RSI was testing its MA, which continued to warn of momentum support; however, if the RSI did 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. The RSI held above its average resulting in the futures moving higher. We are between the EMA resistance band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,348 with the RSI at or below 40 will mean price and momentum are aligned to the sell 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.
- We remain technically bearish with our intraday Elliott wave analysis continuing to suggest that upside moves look like they could be countertrend at this point. The MA on the RSI is implying momentum is supported, warning the USD 2,403 – USD 2,494 Fibonacci resistance zone could come under pressure in the near-term. If we do trade above the USD 2,494 level, then the probability of the futures trading to a new low will start to decrease. If price and momentum turn to the sell side, in line with the wave cycle, then support levels will become vulnerable.

# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	16,205	R1	16,355	RSI above 50	
S2	16,036	R2			
S3	15,840	R3			

**Synopsis - Intraday**

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (54)
- Stochastic is below 50t
- Price is on/above the daily pivot point USD 16,335
- Technically bearish previously, our intraday Elliott wave analysis continues to suggest that upside moves look like could be countertrend. However, the MA on the RSI warned that momentum was supported with price trading just below our key resistance at USD 16,308, if broken, then the probability of the futures trading to a new low would start to decrease. Momentum did suggest that resistance levels are vulnerable, but price was trading in the daily EMA resistance band, meaning we maintained a cautious view on upside moves at this point. The futures traded above our key resistance and the USD 16,430 fractal high, meaning the intraday technical is now bullish. We are above the EMA support band with the RSI above 50. Due to the move lower yesterday afternoon, intraday price and momentum are aligned to the sell side as the previous candle closed below the daily pivot level.
- A close on the 4-hour candle above USD 16,335 with the RSI at or above 59.5 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 16,134 will warn that resistance levels remain vulnerable, below this level the technical will have a neutral bias.
- Technically bullish but in a corrective phase, the MA on the RSI is now flat, implying momentum is neutral. If we do trade below the USD 16,134 support, it will indicate that the probability of the futures trading to a new high has started to decrease. The fractal peak would imply that the wave cycle has turned bullish for now, warning resistance levels are looking vulnerable; however the futures are in the daily resistance band still meaning intraday buyers could run into higher timeframe sellers around the USD 16,584 area.

# Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,044	R1	2,050.5		RSI below 50
S2	1,994.5	R2			
S3	1,958	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is below 50 (48)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,044
- Technically bearish in the last report, the futures remained in divergence with the RSI, not a buy signal it is a warning that we have the potential to see a momentum slowdown, which would need to be monitored. However, intraday Elliott wave analysis continued to suggest that upside moves should be considered as countertrend. We were a cautious bear at these levels due to the divergence that is in play. The futures have seen a move higher on the back of the divergence with price now trading in the EMA resistance band. The RSI is below 50 with price and momentum now conflicting, as the previous candle closed below the daily pivot level.
- A close on the 4-hour candle below USD 2,008 with the RSI at or below 40.5 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 2,116 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- We remain technically bearish with price in what looks to be a countertrend move. The MA on the RSI is implying momentum is supported, meaning resistance levels remain vulnerable in the near-term; however, we do have a note of caution as price is in the MA resistance band, making it a dangerous area to enter long positions. For this reason, despite the momentum support, we are cautious on upside moves.

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