

## China

Chinese property-developer shares fall on weak holiday home sales, and after rallying last week.

Home sales in 44 key cities during the week-long Lunar New Year holiday dropped 40% from a year earlier to 233,800 square meters, according to CRIC data

“Holiday home sale shows the demand is still weak and there is a retreat for Hong Kong-listed developers stocks following gains in past week,” says Shujin Chen, analyst at Jefferies

China’s home sales are expected to continue declining this year with relatively large downside pressure for new home prices, Chen adds

A gauge of Chinese developers falls as much as 2.7% following a 7.1% surge Friday; Longfor -7%, Guangzhou R&F -5.5%, Sunac China -6.2%, Greentown China -5.2%, China Vanke -5.5% (Bloomberg).

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	8,428	R1	8,421.5	RSI above 50	Stochastic overbought	
S2	8,380	R2				8,603
S3	8,294	R3				8,647

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA Resistance band (Black EMA's)
- The RSI above 50 (59)
- Price is above the daily pivot point USD 8,428
- Stochastic is overbought
- Technically bearish but with a neutral bias last week, the probability of the futures trading to a new low had started to decrease. The MA on the RSI implied momentum support whilst the RSI had moved above 50. However, we noted that this was still a two-wave pattern higher, meaning it could still be a countertrend corrective wave pattern. Due to the technical conflicting, we had a more neutral bias, as the upside move had been higher than expected. The future continued to move higher with price breaking fractal resistance, meaning the intraday technical is now bullish. We are above all key moving averages with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 8,428 with the RSI at or below 51.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 8,294 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the RSI has broken resistance with the MA on the RSI implying that momentum is supported at this point. This would suggest downside moves could be countertrend, making USD 8,294 the key support to follow, if broken then the probability of the futures trading to a new high will start to decrease. Upside moves above USD 8,499.5 will warn that the USD 8,559 and USD 8,603 resistance levels could come under pressure.

# Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,203	R1	2,212	Stochastic oversold	RSI below 50
S2	2,145	R2			
S3	2,104	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (44)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,222
- Unchanged on the technical on Friday with price remaining bearish; however, the EMA band and the daily 200 hundred period averages were both flat with price continuing to trade around them. This indicated that there was a lack of direction bias in the market, meaning price action was neutral at this point. If we traded below and closed below USD 2,203, it would warn of downside continuation. Likewise, a move above USD 2,251 would mean resistance levels could come under pressure. We have seen a small move lower with price remaining 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 2,222 with the RSI at or above 51 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.
- Unchanged on the technical again this morning, the move lower has been marginal with price within the USD 2,251 – USD 2,203 range. We remain bearish but continue to trade around flat intraday and daily averages, meaning price action is still neutral at this point.

# Zinc Morning Technical (4-hour)



Start: 01/02 09:19 End: 02/24 04:10  
 LMZSDS03 Comdty - Last Price 2389.50  
 Close on 01/22 ---- 2456.50  
 Start on 01/02 12:00 2622.50  
 EMAVG (3) on Close (LMZSDS03) 2385.01  
 EMAVG (15) on Close (LMZSDS03) 2360.57  
 EMAVG (30) on Close (LMZSDS03) 2357.19  
 EMAVG (60) on Close (LMZSDS03) 2383.72

RSI (LMZSDS03) 56.1754  
 Moving Average (LMZSDS03) 49.3156  
 Slow %K(12,3) (LMZSDS03) 89.458  
 Slow %D(3) (LMZSDS03) 89.7289

Support	Resistance	Current Price	Bull	Bear
S1	R1	2,389.5	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (56)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,376
- We remain technically bearish on Friday with our intraday Elliott wave analysis continuing to suggest that upside move looked like it could be countertrend. The MA on the RSI implied momentum was supported, warning the USD 2,403 – USD 2,494 Fibonacci resistance zone could come under pressure in the near-term. If we did trade above the USD 2,494 level, then the probability of the futures trading to a new low would start to decrease. Likewise, if price and momentum turned to the sell side, in line with the wave cycle, then support levels could become vulnerable. The futures have seen a small move higher with price now above the EMA resistance band, the RSI is above 50 with price and momentum aligned to the buyside.
- A close on the 4-hour candle below USD 2,376 with the RSI at or below 47 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.
- Unchanged technically, we remain bearish with upside moves looking like they could be countertrend based on our intraday Elliott wave analysis, making USD 2,494 the key resistance to follow, if broken the probability of the futures trading to a new low would start to decrease. The MA on the RSI is suggesting that momentum remains supported at this point, meaning resistance levels continue to be vulnerable.

# Nickel Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	16,210	RSI above 50	
S2	R2			
S3	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is between/below the EMA support band (Black EMA's)
- RSI is below 50 (49)
- Stochastic is below 50
- Price is below the daily pivot point USD 16,348
- Technically bullish but in a corrective phase on Friday, the MA on the RSI was flat, implying momentum was neutral. If we did trade below the USD 16,134 support, it would indicate that the probability of the futures trading to a new high had started to decrease. The fractal beak would imply that the wave cycle had turned bullish, warning resistance levels were looking vulnerable; however, the futures were in the daily resistance band still, meaning intraday buyers could run into higher timeframe sellers around the USD 16,584 area. Having moved higher on Friday, the futures have sold lower in the Asian day session, resulting in price trading back in the EMA support band. The RSI is near neutral at 49 with price and momentum aligned to the sell side.
- A close on the 4-hour candle above USD 16,348 with the RSI at or above 57.5 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 wave still, the fractal break had warned that resistance levels were vulnerable; however, we are rejecting the daily resistance band with the RSI neutral at 49. We have a three-wave corrective pattern that warns we could see a move higher, but the MA on the RSI is showing signs of weakness, meaning the technical is conflicting a little. We maintain a cautious view on upside moves due to the daily resistance at this point. Key support remains unchanged at USD 16,134, if broken, then the probability of the futures trading to a new high will start to decrease.

# Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	1,994.5	R1	2,060	RSI below 50
S2	1,958	R2	2,064	
S3	1,895	R3	2,086	

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (47)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,060
- We remained technically bearish last week with price moving higher in what looked to be a countertrend move. The MA on the RSI implied momentum was supported, meaning resistance levels remained vulnerable in the near-term; however, we did 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 were cautious on upside moves. We moved higher on Friday but remained in the resistance band before selling lower in the Asian day session. Price is now below the resistance band with the RSI below 50, intraday price and momentum are now conflicting.
- A close on the 4-hour candle below USD 2,060 with the RSI at or below 45 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.
- Technically bearish with upside moves continuing to look like they could be countertrend at this point, the futures are just below the resistance band with the MA on the RSI implying momentum is supported. However, the RSI is testing its MA support at this point, if we hold above it, then we could see resistance levels come under pressure. Likewise, if we close below it and price and momentum become aligned to the sell side, then it will warn that the futures could be vulnerable to a move lower, in line with the Elliott wave cycle.

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