

## China

China's existing-home sales overtook new homes by area for the first time in history last year, underscoring a fundamental shift in the nation's real-estate sector.

Data on 30 major cities tracked by China Real Estate Information Corp. showed that annual sales of new homes have plunged 37% from a 2021 peak, while second-hand residences climbed to a record last year due to falling prices and doubt among buyers on the timeline for new-home delivery.

CRIC forecasts the trend to become more entrenched this year, which could have implications for China's economy. A smaller new-home sector might be considered positive for the economy in the long run, freeing up people and capital for more productive industries, although it will lower demand for many commodities such as iron ore and would also hit wages and demand for things such as household appliances. (Bloomberg).

## Al

Aluminum surged on speculation that a fresh wave of US sanctions against Russia may target the metal, potentially disrupting supplies.

US President Joe Biden said the US plans to unveil a "major" sanctions package against Moscow on Friday, although he wasn't specific about which industries would be affected. His comments stoked speculation that Russia's huge metals industries could be in line for curbs as they have escaped broad US sanctions until now, although the United Kingdom has imposed restrictions. (Bloomberg).

## Ni

Aluminum and nickel briefly jumped after the US President Joe Biden said the US plans to unveil a "major" sanctions package against Russia on Friday following the death of opposition leader Alexey Navalny.

Aluminum prices on the London Metal Exchange rose as much as 1.8% while nickel gained up to 1.3% after Biden's comments Tuesday to reporters at the White House.

Biden didn't comment specifically on which industries would be targeted, but traders have been on the lookout for potential new restrictions on Russian metals after the UK moved in December to block British individuals and entities from trading physical metals including aluminum, copper and nickel from Russia. At the time, the UK also hinted at the possibility of coordinated action with international partners. Up until then, Russian metals had escaped broad sanctions (Bloomberg).

# Copper Morning Technical (4-hour)



|    | Support | Resistance | Current Price | Bull         | Bear                  |
|----|---------|------------|---------------|--------------|-----------------------|
| S1 | 8,499   | R1         | 8,549         | RSI above 50 | Stochastic overbought |
| S2 | 8,481   | R2         |               |              |                       |
| S3 | 8,457   | R3         |               |              |                       |

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (67)
- Price is above the daily pivot point USD 8,492
- Stochastic is overbought
- Technically bullish but in a corrective phase yesterday, the RSI high previously warned that the move lower had the potential to be countertrend; however, the RSI was below its MA indicating that momentum was starting to show signs of weakness. If we traded below and closed below the weekly pivot (USD 8,371) then the USD 8,294 support could potentially be tested and broken, if it was, then the probability of the futures trading to a new high would start to decrease. If we held above the weekly pivot support, it would warn that there was bullish support in the market. The corrective move lower held above the EMA support band, resulting in price trading to a new high. The RSI is above 50 with price and momentum aligned to the buyside.
- A close on the 4-hour candle below USD 8,492 with the RSI at or below 60 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 8,457 will support a bull argument, below this level the technical will have a neutral bias.
- The futures have traded to a new high with the 4-hour divergence failing, but the 1 - hour futures are in divergence, warning we could still be vulnerable to a momentum slowdown. We are now at a bit of an inflection point, as we have a 5-wave pattern higher, warning we could be nearing exhaustion point, alongside the 1-hour divergence, this suggests caution on upside moves. However, if we have another strong move to the upside, or stay elevated at these levels for a prolonged period, it will cause an Elliott wave 3 extension, meaning downside moves will be considered as countertrend. Based on the technical in front of us, we have a cautious view on upside moves, but are mindful to the possibility of a wave extension.

# Aluminium Morning Technical (4-hour)



|    | Support | Resistance | Current Price | Bull         | Bear |
|----|---------|------------|---------------|--------------|------|
| S1 | 2,213   | R1         | 2,251         | RSI above 50 |      |
| S2 | 2,208   | R2         |               |              |      |
| S3 | 2,180   | R3         |               |              |      |

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (59)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,213
- Technically bearish yesterday, the futures had moved lower with price closing below the weekly pivot level and the daily 200-period MA. The MA on the RSI warned that momentum was weak whilst the RSI was making new lows. This suggested that support levels were starting to look vulnerable, with upside moves looking like they could be countertrend. 'Aluminum Spikes as White House Plans Fresh Sanctions on Russia' (Bloomberg). The futures 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 2,213 with the RSI at or below 42 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. Likewise, downside moves that hold at or above USD 2,208 will support a near-term bull argument, below the level the USD 2,180 fractal support will be vulnerable.
- Technically we are bullish having moved higher to break fractal resistance. On paper, the Elliott wave cycle is still in bearish territory; however, this is based on the psychological footprint of the market (Elliott wave), which is likely to have changed on the 'White House Plans', suggesting wave traders will need to be a lot less rigid at this point. The RSI has also made a new high alongside price, suggesting downside moves have the potential to be countertrend in the near-term, making USD 2,208 the key support to follow. This move is outside of the technical, meaning we should probably discount the Elliott wave cycle for now, until the market settles down a little.

# Zinc Morning Technical (4-hour)



|    | Support | Resistance | Current Price | Bull         | Bear                  |       |
|----|---------|------------|---------------|--------------|-----------------------|-------|
| S1 | 2,381   | R1         | 2,404         | RSI above 50 | Stochastic overbought |       |
| S2 | 2,360   | R2         |               |              |                       | 2,441 |
| S3 | 2,284   | R3         |               |              |                       | 2,494 |

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (56)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,381
- Technically bearish yesterday with upside moves looking like they could be countertrend based on our intraday Elliott wave cycle. The RSI was testing its MA which was starting to flatten, warning there were signs that buyside momentum was slowing. If the RSI closed below 52 then price and momentum would be aligned to the sell side, warning that the weekly pivot at USD 2,352 would start to look vulnerable. A close below that held below this level on the daily chart would suggest that we were potentially in the early stages of the bearish Elliott wave 5. If this was the case, then we would have a downside target based on Fibonacci projection levels at USD 2,207. The futures traded to a low of USD 2,360 before finding bid support to trade to a new high. We are above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,381 with the RSI at or below 52.5 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.
- Technically we are still bearish with upside moves considered as countertrend, making USD 2,494 the key resistance to follow, as a move above this level will warn that the probability of the futures trading to a new low will start to decrease. The futures are now in divergence, as the RSI is not making a new high alongside price, warning we could see a momentum slowdown. We have a note of caution on this technical, as we now have a 5-wave pattern higher warning we could soon exhaust and turn to the downside. The issue is that our intraday Elliott wave analysis is suggesting that the upside move is countertrend, meaning we would have expected this move to consist of 3-waves (or multiples of 3), not five. This lower timeframe 5-wave pattern higher is warning that something could have potential have changed, meaning a move lower may fail to trade below the USD 2,278 fractal low.

# Nickel Morning Technical (4-hour)



| Support | Resistance | Current Price | Bull         | Bear |
|---------|------------|---------------|--------------|------|
| S1      | R1         | 16,620        | RSI above 50 |      |
| S2      | R2         |               |              |      |
| S3      | R3         |               |              |      |

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (61)
- Stochastic is above 50
- Price is above the daily pivot point USD 16,418
- Technically bullish but in a corrective phase yesterday, we noted previously that the fractal break had warned that resistance levels were vulnerable; however, we remained cautious on upside moves due to the daily resistance band, a view that we maintained. Based on the RSI movement, we are vulnerable to a move high, but momentum was conflicting, as the MA on the RSI warned it was weakening. We were at an inflection point, as the weekly pivot level was at USD 16,291. If we held above this level, then we could see a move higher, if we closed below it on the daily chart, then the USD 16,134 support could be tested and broken. If it was, then the probability of the futures trading to a new high would start to decrease. The futures held support resulting in price trading to new highs. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 16,418 with the RSI at or below 52.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or below USD 16,347 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the futures are testing the top of the daily resistance band whilst the RSI is in divergence. Not a sell signal, it is a warning that we could see a momentum slowdown, which will need to be monitored. For this reason, we maintain a cautious on upside moves at this point.

# Lead Morning Technical (4-hour)



|    | Support | Resistance | Current Price | Bull         | Bear |
|----|---------|------------|---------------|--------------|------|
| S1 | 2,047   | R1         | 2,064         | RSI above 50 |      |
| S2 | 2,021   | R2         | 2,086         |              |      |
| S3 | 1,994.5 | R3         | 2,116         |              |      |

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (53)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,047
- Technically bearish yesterday, the MA on the RSI (and the RSI) were flat, implying momentum was starting to look a little neutral. However, the daily candle had closed below the weekly pivot level previously (USD 2,046), if we could hold below this level, then we could see further downside. However, a close back above this level would imply we were seeing momentum support, indicating we could see a move higher. In theory, our intraday Elliott wave analysis suggests that upside moves should be considered as countertrend meaning support levels were vulnerable. The neutral momentum, with the weekly pivot level in play, means that USD 2,046 is the key level to follow on the daily technical. The futures closed back above the USD 2,046 level, resulting in the futures moving higher. Price is above the EMA resistance band (just) with the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 2,047 with the RSI at or below 46 will mean price and momentum are aligned to the sell side. 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. Likewise, downside moves that hold at or above USD 2,021 will support a near-term bull argument, if broken the USD 1,994.5 support will start to look vulnerable.
- We remain bearish with upside moves considered as countertrend based on our intraday Elliott wave analysis. However, the futures have held above the USD 2,021 support and closed back above the weekly pivot level, meaning resistance levels are vulnerable in the near-term. If we do trade above the USD 2,116 resistance, it will warn that the probability of the futures trading to a new low will start to decrease.

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