

## China

(Bloomberg) -- China will set an annual growth goal of about 5% for next year and plans to raise the budget deficit to 4% of gross domestic product, Reuters reported citing unnamed sources.

The reported targets come days after top leaders wrapped an annual economic work conference in Beijing, where they were expected to set goals for 2025.

Specific targets will likely only be revealed at a parliamentary huddle in March.

## Al

(Bloomberg) -- Aluminum fell to the lowest level in a month amid weak winter demand in China, while other metals were mixed ahead of a slew of interest rate decisions by central banks this week.

The light metal extended losses from Monday after data showed Chinese output rose to a record high on a daily basis, with booming exports encouraging high levels of production.

Stockpiles may build up during a lull in demand during winter in China, the largest aluminum market, which will drag on prices, Guangzhou Futures Co. said in a note.

Aluminum fell as much as 0.6% a ton on the London Metal Exchange, the lowest since Nov. 15, before trading at \$2,555 as of 10:29am in Shanghai. Copper rose 0.2% to \$9,077 and zinc rose 0.1% to \$3,059. Iron ore rose 0.3% to \$105.35 a ton. Yuan-priced futures in Dalian and Shanghai steel contracts were also up.



# Aluminium Morning Technical (4-hour)



| Support | Resistance | Current Price | Bull                | Bear         |
|---------|------------|---------------|---------------------|--------------|
| S1      | R1         | 2,540         | Stochastic oversold | RSI below 50 |
| S2      | R2         |               |                     |              |
| S3      | R3         |               |                     |              |

Source Bloomberg

## Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (36)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,580
- Technically bearish with a neutral bias yesterday. The EMA's were flat with price in a consolidation zone, implying we lacked directional bias, we also had conflicting price and momentum. Price action was neutral, the futures need to close outside and hold outside of the consolidation zone for directional bias.
- The futures broke to the downside and closed outside of the consolidation zone, resulting in price trading below the USD 2,568 support, meaning the futures are back in bearish territory. 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 2,580 with the RSI at or above 48 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 2,611 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the move lower below USD 2,568 means that the futures are back in line with the original, bearish Elliott wave cycle before the martlet spike on the 15/11. This suggests that support levels are vulnerable, whilst the RSI breakout is indicating that upside moves should in theory be countertrend in the near-term.

# Zinc Morning Technical (4-hour)



|    | Support | Resistance | Current Price | Bull                | Bear         |
|----|---------|------------|---------------|---------------------|--------------|
| S1 | 3,018   | R1         | 3,067         | Stochastic oversold | RSI below 50 |
| S2 | 2,970   | R2         | 3,148         |                     |              |
| S3 | 2,932   | R3         | 3,183         |                     |              |

Source Bloomberg

## Synopsis - Intraday

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (42)
- Stochastic is oversold
- Price is below the daily pivot point USD 3,067
- Technically bullish but with a neutral bias yesterday, the probability of the futures trading to a new high was starting to decrease. A move below USD 3,022 would indicate that the technical was bearish; however, key support was at USD 2,970, corrective moves lower that held at or above this level would imply that there could be a larger bull cycle in play. We remained cautious on upside moves as support levels looked vulnerable.
- The futures continue to sell lower with price below the 200-period MA (USD 3,057), meaning we are now 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 3,067 with the RSI at or above 48.5 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 2,970 will support a bull argument, warning that there could be a larger, bullish Elliott wave cycle coming into play.
- Unchanged again today. Technically bullish but with a neutral bias yesterday, the probability of the futures trading to a new high was starting to decrease. A move below USD 3,022 would indicate that the technical was bearish; however, key support was at USD 2,970, corrective moves lower that held at or above this level would imply that there could be a larger bull cycle in play. We remained cautious on upside moves as support levels looked vulnerable; this is based on the MA on the RSI heading lower whilst the RSI is making new lows alongside price.



# Nickel Morning Technical (4-hour)



| Support | Resistance | Current Price | Bull                | Bear         |
|---------|------------|---------------|---------------------|--------------|
| S1      | R1         | 15,555        | 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 (35)
- Stochastic is oversold
- Price is below the daily pivot point USD 15,752
- Technically bearish yesterday, based on the failure to hold the upside move, alongside our pattern analysis, we remained cautious on upside moves, as the technical suggests they could struggle to hold.
- The futures have continued to sell lower with price now approaching the USD 15,460 fractal low. 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 15,752 with the RSI at or above 47 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 16,268 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. We noted yesterday that this resistance was back in play due to the depth of the sell off.
- Technically bearish, the futures are moving lower in line with our pattern/Elliott wave analysis, suggesting that the USD 15,460 fractal low will be tested and broken. If it is, then we target the USD 15,300 Fibonacci projection level. The MA on the RSI is implying that momentum is weak, whilst the RSI has broken support, this is suggesting that upside moves should in theory be considered as countertrend in the near-term.

# Lead Morning Technical (4-hour)



| Support | Resistance | Current Price | Bull                | Bull         |
|---------|------------|---------------|---------------------|--------------|
| S1      | R1         | 19,999        | 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 (38)
- Stochastic is oversold
- Price is below the daily point USD 2,006
- Technically bearish yesterday, the move below the USD 2,000 support warned that the probability of there being a larger, bullish wave cycle in play had started to decrease. We were now seeing light bid support; however, with the RSI trading to new lows, we remained cautious on moves higher at that point.
- The upside moves failed to hold yesterday, resulting in the futures testing but holding above the USD 1,994.5 support. We are below all key moving averages supported by the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 2,006 with the RSI at to below 34 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 2,065 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the MA on the RSI is implying that we have light momentum support. However, the RSI previously made a new low, meaning support levels remain vulnerable. Downside moves below USD 1,994.5 will have a potential target at USD 1,956 in the near-term; however, this will create a positive divergence with the RSI, meaning we have a note of caution on downside breakouts below this level.

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