

## News

### China

Friday's US inflation thunderbolt sent a shockwave through global markets which could make Asia investors think twice about their strategies for the rest of the year.

From a nascent rebound in Chinese stocks to a tumbling yen, the potential for even-more aggressive US rate hikes risks derailing equity rallies and accelerating a selloff in the Japanese currency. The resurgent dollar threatens to put the region's emerging markets under particular strain.

Strategists say Asian central banks will be under pressure to follow the Federal Reserve, hurting bond markets. They warn of the risk of outflows from the region picking up and see yield differentials weighing on the yuan (Bloomberg).

### CU

After a yearslong deadlock, Ecuador and Chile have resumed negotiations over a partnership to develop a major copper deposit just as demand for the wiring metal is set to surge in a nascent clean-energy transition.

Chile's state copper producer Codelco agreed to a request by its Ecuadorian counterpart Enami to suspend two arbitration processes over the Llurimagua copper-molybdenum exploration project in the Andean region of Imbabura, Ecuador Energy and Mines Minister Xavier Vera said (Bloomberg).

### ALU

Aluminum sank to its lowest in six months as base metals joined other risk assets in a rout on shock US inflation data and setbacks for China's anti-Covid efforts.

Surprisingly strong US consumer prices reported on Friday have already prompted investors to expect more aggressive Federal Reserve measures to cool inflation. Adding to headwinds for the global economy, China is battling fresh virus flare-ups with renewed restrictions, reversing some recent progress on easing curbs (Bloomberg).

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,277	R1	9,362.50	Stochastic oversold	RSI below 50
S2	9,232	R2			
S3	9,123	R3			

## Synopsis - Intraday

Source Bloomberg

- 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 9,491
- Technically bullish but in a corrective phase on Friday, downside support levels were broken on the back of higher CPI numbers in the U.S. Price is 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 9,491 with the RSI at or above 51 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 9,649 will leave the RSI vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Having broken the USD 9,384 fractal support the intraday technical is now bearish, near-term support is now at USD 9,277, below this level we target the USD 9,232 level. The daily technical has also made a lower low meaning the futures are also bearish based on price. However, downside moves on the daily technical that hold at or above USD 9,232 will support a longer-term bull argument, if broken the higher timeframe technical becomes neutral, warning the USD 9,123 and USD 8,938 support levels will start to look vulnerable.
- A lower low and a clear break in the support band on the intraday technical mean the bands are now considered as resistance bands going forward. Key support is now at USD 9,232, if it holds it supports a bullish Elliott wave cycle, if broken it warns that completion of the 5-wave intraday Elliott wave cycle to do downside (wave C) has the potential to become part of a larger corrective phase. The intraday cycle still suggests that this downside move on the daily chart is corrective not bearish, the CPI figures, support higher bond yields and a stronger dollar, casting a shadow on the longer-term trend here.

# Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,632	R1	2,704	RSI below 50	Stochastic oversold
S2	2,573	R2	2,721		
S3	2,497	R3	2,746		

Source Bloomberg

## Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (30)
- Stochastic is oversold
- Price is below the daily pivot point 2,704
- We noted on Friday that the technical remains bearish with the intraday Elliott wave cycle suggesting we had the potential to test the USD 2,720 low. The futures have moved lower with price trading below our support zone. The futures remain below the resistance band 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 2,704 with the RSI at or above 43.5 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 2,779 will leave the technical vulnerable to further tests to the downside, above this level the futures will have a neutral bias. Only above USD 2,851 is the intraday technical bullish.
- The new low means we are on wave 5 of this phase (intraday Elliott wave cycle is a 532 min candle) with the daily technical warning we have the potential to trade as low as USD 2,147. However, the new low also means that the minimum requirement for wave/phase completion has now been achieved, the longer-term technical is warning we have a positive divergence in play. Not a buy signal it does mean we have the potential to see a momentum slowdown and will need to be monitored.
- Technically bearish the divergence will need to be monitored.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,637	R1	3,673.50	Stochastic oversold	RSI below 50
S2	3,582	R2			
S3	3,513	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 3,718
- As highlighted on Friday the futures have re-entered bearish territory suggesting support levels could be vulnerable, price has moved lower with the futures trading below the first of our support levels. Price is above 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 3,718 with the RSI at or above 45 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 3,785 will warn of further technical weakness; Elliott wave analysis would imply that the intraday technical remains bearish below USD 4,065.
- Near-term support is now between USD 3,637 and USD 3,513; however, intraday wave analysis would suggest the USD 3,451 low is looking vulnerable with the potential to trade as low as USD 3,331.
- Technically bearish, the breaking of the USD 3,690 fractal support is warning we have the potential for further downside in this technical. The EMA resistance band has crossed to the sell side but at this point the band remains compressed warning the trend itself is not stable.



# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	27,025	R1	27,406	Stochastic oversold	RSI below 50
S2	26,050	R2	28,059		
S3	24,818	R3	28,372		

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (43)
- Stochastic is oversold
- Price is below the daily pivot point USD 27,406
- Technically bearish but with a neutral bias based on the flat EMA's last week, the futures have moved lower with price trading below the USD 27,600 support. The futures are below the EMA resistance band which have crossed to the downside, 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 27,406 with the RSI at or above 52.5 will mean price and momentum are aligned to the buyside.
- Upside moves that fail at or below 28,797 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 initially held the USD 27,600 support with price now testing the USD 27,025 level. Although not a perfect, we do have traits of a bullish Gartley pattern in play, warning that if support holds, we have the potential to test the USD 28,797 resistance level. This pattern will need to be monitored due to the market harmonics. If support is broken the expectations that the futures will trade down to (and below) the USD 26,050 low will increase.

# Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,099	R1	2,123	Stochastic oversold	RSI below 50
S2	2,072	R2			
S3	2,025	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (37)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,156
- Technically bearish but with a neutral bias, the closed below USD 2,170 is warning we have the potential for further technical weakness. Price is 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 2,156 with the RSI at or above 51 will mean price and momentum are aligned to the buyside.
- The futures have traded below the USD 2,147 fractal support meaning the intraday technical is now bearish. Downside moves that hold at or above USD 2,099 will support the longer-period technical (daily), below this level we target the USD 2,072 and USD 2,025 support levels.
- Technically bearish on the intraday but in a corrective phase on the daily chart, making USD 2,072 the key support to follow. The daily RSI is below 50 whilst the Stochastic is showing a bearish cross, daily momentum indicators are warning that support levels remain vulnerable to further tests to the downside.

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