

## News

### China

BEIJING, June 14 (Xinhua) -- Foreign direct investment (FDI) into the Chinese mainland, in actual use, expanded 17.3 percent year on year to 564.2 billion yuan in the first five months of the year, the Ministry of Commerce said Tuesday.

In U.S. dollar terms, the inflow went up 22.6 percent year on year to 87.77 billion U.S. dollars.

The service industry saw FDI inflows jump by 10.8 percent year on year to 423.3 billion yuan, while that of high-tech industries surged by 42.7 percent from a year earlier, data from the ministry shows.

Specifically, FDI in high-tech manufacturing rose 32.9 percent from the same period a year ago, while that in the high-tech service sector surged 45.4 percent year on year, the data shows.

During the period, investment from the Republic of Korea, the United States, and Germany climbed by 52.8 percent, 27.1 percent, and 21.4 percent, respectively.

In the January-May period, FDI flowing into the country's central region reported a rapid year-on-year increase of 35.6 percent, followed by 17.9 percent in the western region, and 16.1 percent in the eastern region. (Bloomberg).

### ALU

China's commodities output probably improved in May as the government tentatively eased some of its virus restrictions.

Data due on Wednesday is likely to show aluminum as a standout. Production is estimated to have hit yet another record after smelters in the south resumed operations and added new capacity as power constraints eased and exports surged. Chinese output could rise about 6% this year, UBS AG said in a note on Monday. (Bloomberg).

### PB

SHANGHAI, Jun 14 (SMM) - Lead prices hovered at a low level today and holders of lead-acid battery scrap received limited goods.

Quotations were stable and the costs at smelters were difficult to fall. With low profits, smelters were less willing to sell cargoes.

Prices of secondary refined lead were quoted with a discount of 50-0 yuan/mt (tax included) today.

The operating rates of downstream battery factories were insufficient amid few market transactions.

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,232	R1	9,325	Stochastic oversold	RSI below 50
S2	9,123	R2			
S3	8,938	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 above the daily pivot point USD 9,321
- Technically bearish yesterday the futures traded below the USD 9,277 level resulting in our key support at USD 9,232 being tested. We traded to a low of USD 9,230 meaning the daily technical has a neutral bias due to the depth of the pullback. The futures 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 above USD 9,321 with the RSI at or above 43.5 will mean price and momentum are aligned to the buyside; likewise, a close below this level will mean it is aligned to the sell side.
- Upside moves that fail at or below USD 9,611 will leave the futures vulnerable to further tests to the downside, above this level the futures will have a neutral bias.
- Technically bearish we did see buying support into the close; however, price remains below the EMA resistance band with the RSI below 50 and its moving average. The MA on the RSI continues to slope to the downside suggesting resistance levels should hold if tested in the near-term.
- Downside moves below USD 9,230 do have the potential to create a positive divergence with the RSI, not a buy signal it does warn that we could see a momentum slowdown and will need to be monitored.

# Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,595	R1	2,692	2,626	RSI below 50
S2	2,573	R2	2,723		
S3	2,497	R3	2,763		

Source Bloomberg

## Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (31)
- Stochastic is oversold
- Price is below the daily pivot point 2,639
- The futures moved lower yesterday with price trading below the first of our support levels before going bid into the close. Price has moved lower in the Asian session resulting in the futures moving back below the shorter-term moving averages, the RSI is below 50 with price and momentum aligned to the sell side.
- A close on the 4-hour candle above USD 2,639 with the RSI at or above 36.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,763 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- The intraday RSI has made a new low suggesting that upside resistance levels should hold in the near-term. However, the daily RSI is in divergence, this is not a buy signal it is a warning that we have the potential to see a momentum slowdown soon.
- Technically bearish with upside moves considered to be countertrend based on our intraday Elliott wave analysis. The daily divergence will need to be monitored.

# Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	3,640	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 (37)
- Stochastic is oversold
- Price is on the daily pivot point USD 3,639
- The downside move yesterday briefly traded below the USD 3,582 support before moving higher into the close. The futures are below the EMA resistance band, supported by the RSI below 50, intraday price and momentum are conflicting, as price is on the daily pivot point whilst the RSI is on its MA.
- A close on the 4-hour candle above USD 3,639 with the RSI at or above 40.5 will mean price and momentum are aligned to the buy side; a close below this level with the RSI at or below 36 will mean it is aligned to the sell side. Upside moves that fail at or below USD 3,749 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- The trend is technically bearish, but the futures did find buying support into the U.S close. The RSI has recently made a new low suggesting upside resistance level should hold in the near-term if tested. Intraday Elliott wave analysis implies we have the potential for another test to the downside, warning support levels could come under pressure in the coming days.

# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	25,041	R1	25,929	Stochastic oversold	RSI below 50
S2	23,528	R2			
S3	21,600	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 26,215
- Yesterday we noted that there was a potential bullish Gartley pattern in play that would need to be monitored; however, downside moves below the USD 27,025 support would increase expectations that the futures will trade down to (and below) the USD 26,050 low. The bull pattern failed resulting in the futures trading to a low of USD 25,800. 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 26,215 with the RSI at or above 47.5 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 28,375 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish with near-term support at USD 25,041, the RSI is now in divergence with price warning we have the potential to see a momentum slowdown, this will need to be monitored.

# Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,099	R1	2,113	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 (39)
- Stochastic is oversold
- Price is above the daily pivot point USD 2,107
- The close below USD 2,170 had warned that we had the potential for further technical weakness, resulting in the futures trading below the USD 2,099 support. Price is below the EMA resistance band supported by the RSI below 50, intraday price and momentum are conflicting as price is above the daily pivot.
- A close on the 4-hour candle above USD 2,107 with the RSI at or above 44 will mean price and momentum are aligned to the buy side. Likewise, a close below this level will mean it is aligned to the sell side. Upside moves that fail at or below USD 2,192 will leave the futures vulnerable to further tests to the downside, above this level the intraday technical will have a neutral bias.
- The downside moves below USD 2,099 means the daily technical now has a neutral bias, warning the USD 2,072 and USD 2,025 support levels have the potential to come under pressure.
- Technically bearish in the intraday, the MA on the RSI continues to slope to the downside, suggesting resistance levels could hold if tested.

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