

## Copper

Copper reversed earlier gains in London with most base metals after new US data showed Americans grew more downbeat about the outlook for the economy.

The red metal, often viewed as a barometer for the economy, retreated Tuesday after a report showed US consumer confidence dropped to a 16-month low in June amid a drag from inflation. The Conference Board report triggered a downturn in US stocks and cut short a rally of industrial metals that had jumped on optimism over changes to China's Covid-19 measures. (Bloomberg)

## AU

Chinese aluminum prices could come under more pressure over the summer if power supplies hold up and Russia ends up shipping more of the metal eastward because of sanctions.

Production in China hit an all-time high last month of 3.42 million tons. The record was set after about 3 million tons of capacity was added so far this year, according to Wang Yue, an analyst with Shanghai East Asia Futures Co., with another 1 million tons expected to follow in the second half. (Bloomberg).

## ZN

Zinc extended its rebound from the lowest close in six months as investors watch for signs of a supply squeeze and assess the latest Federal Reserve comments regarding recession risks.

Investors have been monitoring depleting zinc inventories on the London Metal Exchange and widening premiums between the spot and futures contracts for signs of a new supply crisis. The so-called spread last week spiked to the widest since 1997 before easing.

Europe's energy crisis will continue stressing zinc supplies, with smelters unlikely to resume production in the near term, Huatai Futures Co. analysts including Chen Sijie wrote in a note. (Bloomberg)

## NI

JPMorgan Chase & Co. no longer has any exposure to the nickel bet that rocked global metals markets earlier this year, after a drop in prices on the London Metal Exchange allowed the tycoon at the center of the squeeze to exit his positions with the bank.

JPMorgan emerged as a central player in the fallout from March's nickel chaos because it was the largest counterparty to the massive short position held by Chinese entrepreneur Xiang Guangda's Tsingshan Holding Group Co. The US lender has had a close relationship for years with Tsingshan, and led the group of banks that agreed to backstop the company's short position after prices spiked. (Bloomberg)

# Copper Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	8,330		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 (36)
- Stochastic is above 50
- Price is below the daily pivot point USD 8,405
- The Upside move in the futures yesterday failed below the EMA resistance band resulting in price trading below yesterdays low. The RSI is below 50 with intraday price and momentum are conflicting.
- A close on 4-hour candle above USD 8,405 with the RSI at or above 39 will mean price and momentum are aligned to the buyside. Likewise, a close below this level with the RSI at or below 34.5 will it is aligned to the sell side. Upside moves that fail at or below USD 8,742 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Downside moves below USD 8,122.5 will indicate we are on a wave 5 of this phase, with a potential downside target as low USD 7,498. However, a new low will achieve the minimum requirement for phase completion. At this point the upside move to a high of USD 8,538.5 does not look to have been deep enough, if we do trade to a new low before moving higher, it would suggest that we are seeing a wave-3 extension, implying the downside move is incomplete.
- Technically bearish, price need to move higher before a new low, otherwise there will be further downside within this cycle.

# Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,460	R1	2,499		RSI below 50
S2	2,421	R2	2,536		
S3	2,304	R3	2,585		

Source Bloomberg

## Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (45)
- Stochastic is above 50
- Price is above the daily pivot point 2,499
- We noted yesterday that the RSI was below 50 with the stochastic in overbought territory, momentum was warning that the futures were vulnerable to further tests to the downside. Price traded in to the EMA resistance zone but is now below it with the RSI still below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 2,499 with the RSI at or below 42 will mean price and momentum are aligned to the sell side. Likewise, a close above this level will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,704 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- The upside moves yesterday has confirmed that we have entered a corrective wave 4 of the current Elliott wave cycle. Downside moves that hold at or above USD 2,460 will support a near-term bull argument, below this level will warn the USD 2,421 low could come under pressure.
- Technically bearish but on a countertrend wave 4, the futures will need to trade below USD 2,421 to confirm we have entered a bearish wave 5.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,308	R1	3,353		RSI below 50
S2	3,272	R2			
S3	3,189	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (39)
- Stochastic is above 50
- Price is above the daily pivot point USD 3,362
- Technically bearish the futures continue to consolidate at this point with price displaying little movement. The futures are below the EMA resistance band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 3,354 with the RSI at or below 34 will mean price and momentum are aligned to the sell side. Likewise, a close above this level it will be aligned to the buyside. Upside moves that fail at or below USD 3,507 will leave the futures are vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Downside moves that trade below USD 3,727 will imply we have seen further wave extension to the downside.
- Technically bearish, intraday Elliott wave analysis suggests upside moves should be considered as counter-trend at this point with key near-term resistance at USD 3,507.



# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	21,723	R1	23,298		
S2	20,545	R2	23,872		RSI below 50
S3	19,058	R3	24,853		

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (38)
- Stochastic is above 50
- Price is below the daily pivot point USD 23,298
- We did break the inside day to the upside yesterday with price trading into the Fibonacci resistance zone; however, the futures failed to hold with price trading lower in the afternoon session. The futures are below the EMA resistance band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 23,298 with the RSI at or below USD 31.5 will mean price and momentum are aligned to the sell side. A close above this level will mean it is aligned to the buyside. Upside moves that fail at or below USD 24,583 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- At this point the upside move is not high enough to confirm we have entered a countertrend corrective wave 4. Downside moves that trade below USD 2,1650 will target the USD 20,545 support. However, if we make a new low before trading higher, our momentum oscillators would suggest that any subsequent upside move will still be against the trend.

# Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	1,977	R1	1,954		RSI below 50	
S2	1,939	R2				2,017.5
S3	1,900.50	R3				2,042

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (39)
- Stochastic is above 50
- Price is below the daily pivot point USD 1,977
- We noted yesterday that momentum was warning that the futures were vulnerable to further tests to the downside. The futures moved higher on the open with price trading into the EMA resistance band; however, the upside moves failed to hold. Price is now below the 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 1,975 with the RSI at or above USD 44 will mean price and momentum are aligned to the buy side. Upside moves above USD 2017.5 will target the USD 2,042 resistance, if we fail below this level the technical is vulnerable to the downside (currently failing), above this level the technical will have a neutral bias.
- Downside moves that hold at or above USD 1,939 will support a bull argument, below this level the futures will target the USD 1,900.5 low.
- Technically bearish, the upside move has confirmed that it was a countertrend Elliott wave 4. Key near-term support is at USD 1,939, if it fails then the probability of the technical being in a bearish wave 5 will have increased; however, confirmation only comes on a new low below USD 1,900.50.

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