

## China

In a grim reminder of the 1989 Tiananmen Square Massacre, armoured tanks were seen deployed on the streets of China amidst large-scale protests by people demanding the release of their savings frozen by banks.

The country's Henan province has been for the past several weeks witnessing clashes between police and depositors with the latter saying they have been prevented from withdrawing their savings from banks since April this year.

Fresh videos have surfaced online in which Chinese Peoples Liberation Army (PLA's) tanks can be seen deployed on the streets to scare protestors. Large-scale protests are being held in the province by bank depositors over the release of their frozen funds.

As per the reports the tanks were out on the streets to protect the banks and prevent locals from reaching the banks. The episode comes in the wake of an announcement by the Henan branch of the Bank of China that savings of depositors in their branch are "investment products" and cannot be withdrawn.

This incident is now posing a serious question if the history is set to repeat itself. (Bloomberg).

## Cu

Copper fell, extending a period of jittery trading for base metals as investors grapple with a daunting set of threats to global demand.

Metals on the London Metal Exchange had clawed back some of their recent steep losses. But in the short term, prices are still at the mercy of Europe's gas crisis, China's property stress and rising global interest rates.

Lower prices have spurred some downstream buying of copper in China but the improvement in demand is not very significant and "it's difficult to be optimistic given the overall situation", Huatai Futures wrote in a website note. Sentiment will remain cautious before the Federal Reserve's policy meeting next week, the brokerage wrote. (Bloomberg)

# Copper Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	7,302	RSI above 50	
S2	R2			
S3	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA Resistance band (Black EMA's)
- RSI is below 50 (45)
- Stochastic is below
- Price is above the daily pivot point USD 7,369
- Yesterday we noted that the technical was in balance with the futures had holding downside support whilst the RSI moved up to the 50 line. Price rejected the EMA resistance band resulting in the futures moving off their highs but held above the opening price, implying we are back in a consolidation phase. The RSI is now below 50 with price and momentum aligned to the sell side.
- A close on the 4-hour candle above USD 7,369 with the RSI at or above 48.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 7,607 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 7,132 will support a bull argument, below this level the futures will target the USD 6,955 low.
- Technically bearish with price now in consolidation, the EMA resistance band is starting to flatten warning we could be exiting a trending environment as price is between key support and resistance levels, suggesting there is some neutrality in the market.

# Aluminium Morning Technical (4-hour)



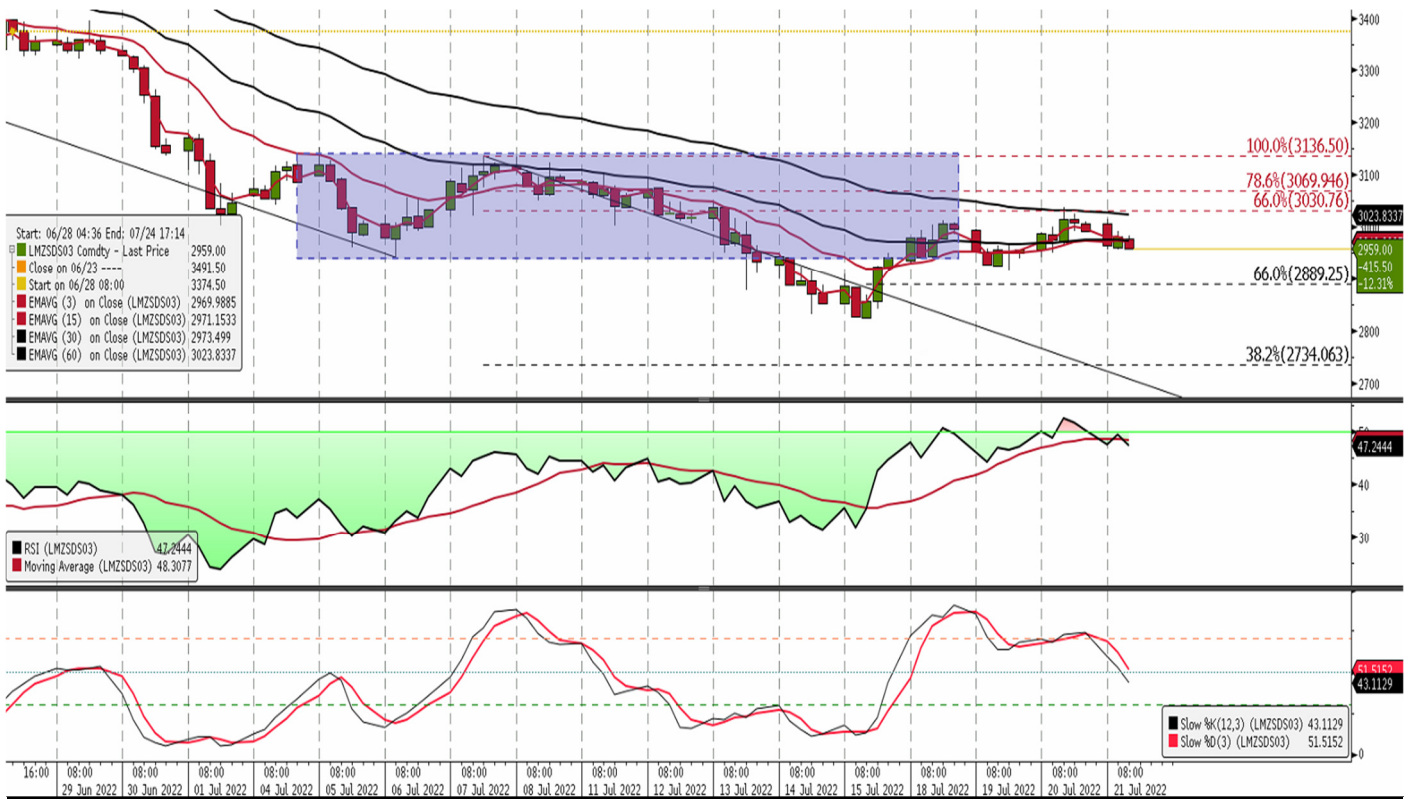
Support	Resistance	Current Price	Bull	Bear
S1	R1	2,413	RSI above 50	
S2	R2			
S3	R3			

Source Bloomberg

### Synopsis - Intraday

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (52)
- Stochastic is above 50
- Price is below the daily pivot point 2,423
- The inside day candle pattern yesterday broke top the upside, in theory this should dictate the current daily price action; however, we suggested caution as this can give false breakouts. The futures tested but failed to trade above the 2,464-fractal resistance resulting in the futures closing in the previous days range. Price is above the EMA resistance band supported by the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 2,421 with the RSI at or below 51 will mean price and momentum are aligned to the sell side. Likewise, a close above this level with the RSI at or above 55.5 will mean it is aligned to the buyside. Downside moves that hold at or above USD 2,362 will support a bull argument, below this level the futures will target the USD 2,310 fractal low.
- Unchanged Again - The technical is bearish with a neutral bias, only above USD 2,483 are we bullish. However, there are warning signs that this phase of the bear cycle may have completed, implying the USD 2,483 resistance could come under pressure in the coming days.

# Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,959		RSI below 50
S2	R2			
S3	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is in/below the EMA resistance band (Black EMA's)
- RSI is below 50 (47)
- Stochastic is below 50
- Price below the daily pivot point USD 2,990
- Another day of consolidation in the futures with price spending the session between the EMA resistance bands, before moving lower on the Asian open. Price is now below the bands with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 2,990 with the RSI at or below 46 will mean price and momentum are aligned to the sell side. Likewise, a close above this level with the RSI at or above 50.5 will mean it is aligned to the buyside.
- The futures are stuck between two key resistance levels, upside moves that fail at or below USD 3,030 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Downside moves that hold at or above the USD 2,889 will support a bull argument, below this level the futures will target the USD 2,824.5 fractal low. (unchanged)
- Technically bearish but with a neutral bias.

# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	19,324	R1	20,596		RSI below 50	
S2	18,230	R2				21,762
S3	16,862	R3				22,892

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (46.5)
- Stochastic is overbought
- Price is below the daily pivot point USD 21,271
- A second test of the USD 21,600 level failed to hold yesterday resulting in the futures moving lower on the Asian open. Price is below the EMA resistance band supported by the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 21,271 with the RSI at or below 46 will mean price and momentum are aligned to the sell side. Likewise, a close above this level with the RSI at or above 50.5 will mean it is aligned to the buy side.
- Upside moves that fail at or below USD 22,892 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Downside moves that hold at or above USD 19,324 will support a bull argument, below this level the futures will target the USD 18,230 fractal low. (Unchanged)
- The futures continue to reject the USD 21,600 level with the RSI below 50 whilst the stochastic is in overbought territory, momentum is warning that downside support levels are looking vulnerable.

# Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	1,942	R1	2,012.5	RSI above 50	Stochastic overbought
S2	1,912	R2			
S3	1,871	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (57)
- Stochastic is overbought
- Price is on the daily pivot point USD 2,011
- The technical has been in balance for the last few days as the intraday Elliott wave cycle became less clear, warning we could be seeing a directional change in the market. However, countering this we had market sellers defending the USD 2,007.5 – 2,017.5 resistance zone. Price moved higher yesterday resulting in key fractal resistance being broken, meaning the technical is now bullish. Price is above the EMA support band (these have now crossed to the buy side) supported by the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 2,011 with the RSI at or below 56 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 1,871 will support a bull argument, below this level the technical will have a neutral bias.
- The bearish Elliott wave cycle now looks to have completed; however, price is below a resistance zone that formed in June. The EMA bands are now bullish, but this is not a stable trend at this point, suggesting caution as it needs to establish itself. Technically bullish, we could see the futures range for a while whilst bulls and bears try to assert themselves.

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