

China

China's consumer inflation accelerated in July to the highest level in two years, largely due to surging pork costs, while weak consumer demand kept overall price pressures in check.

The consumer price index rose 2.7% last month from a year earlier as pork prices surged 20.2%, National Bureau of Statistics data showed Wednesday. The pickup in CPI was lower than the 2.9% median estimate in a Bloomberg survey of economists and compares with 2.5% growth in June.(Bloomberg).

Cu

Chinese government has locked down urban areas of Guixi, a city known for its massive copper smelting facilities, on Wednesday to prevent Covid spread, according to a statement posted on an official WeChat account affiliated to the local authorities.

Residents are not allowed to leave their residential compounds

Buses and taxis have been suspended

Jiangxi Copper Co., China's biggest copper producer and based in Guixi, didn't immediately respond to an email seeking comments (Bloomberg).

Al

Aluminum gained as traders weighed a smelter accident in China against ongoing concerns that weakening economic growth will undermine demand.

A facility in Sichuan, China suffered an accident affecting its output by 190,000 tons, Shanghai Metals Market reported without citing a source. Injuries and fatalities were not disclosed. Aluminum rose as much as 2.5% on the London Metal Exchange following the report, leading gains among contracts on the bourse (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	7,861	R1	7,964	RSI above 50	Stochastic overbought
S2	7,812	R2	8,044		
S3	7,746	R3	8,381		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (55)
- Stochastic is overbought
- Price is below the daily pivot point USD 7,964
- The futures traded to new highs yesterday with price trading up tp but failing to trade above the USD 8,044 resistance. We remain in divergence with the RSI, resulting in a Doji candlestick on the daily chart, representing indecision in the market. Price has moved lower on the Asian open, but we remain above the EMA band, supported by the RSI above 50, intraday price and momentum are now aligned to the sell side.
- A close on the 4-hour candle above USD 7,964 with the RSI at or above 60.5 will mean price and momentum are aligned to the buy side, downside moves that hold at or above USD 7,746 will support a bull argument, below this level the futures will have a neutral bias.
- The technical remains bullish but price is moving lower on the back of the negative divergence, if we trade below the USD 7,746 level, we could see the USD 7,602 fractal support be tested and broken.
- Technically bullish, me maintain our view that the futures are not considered a technical buy at this point.

Aluminium Morning Technical (4-hour)



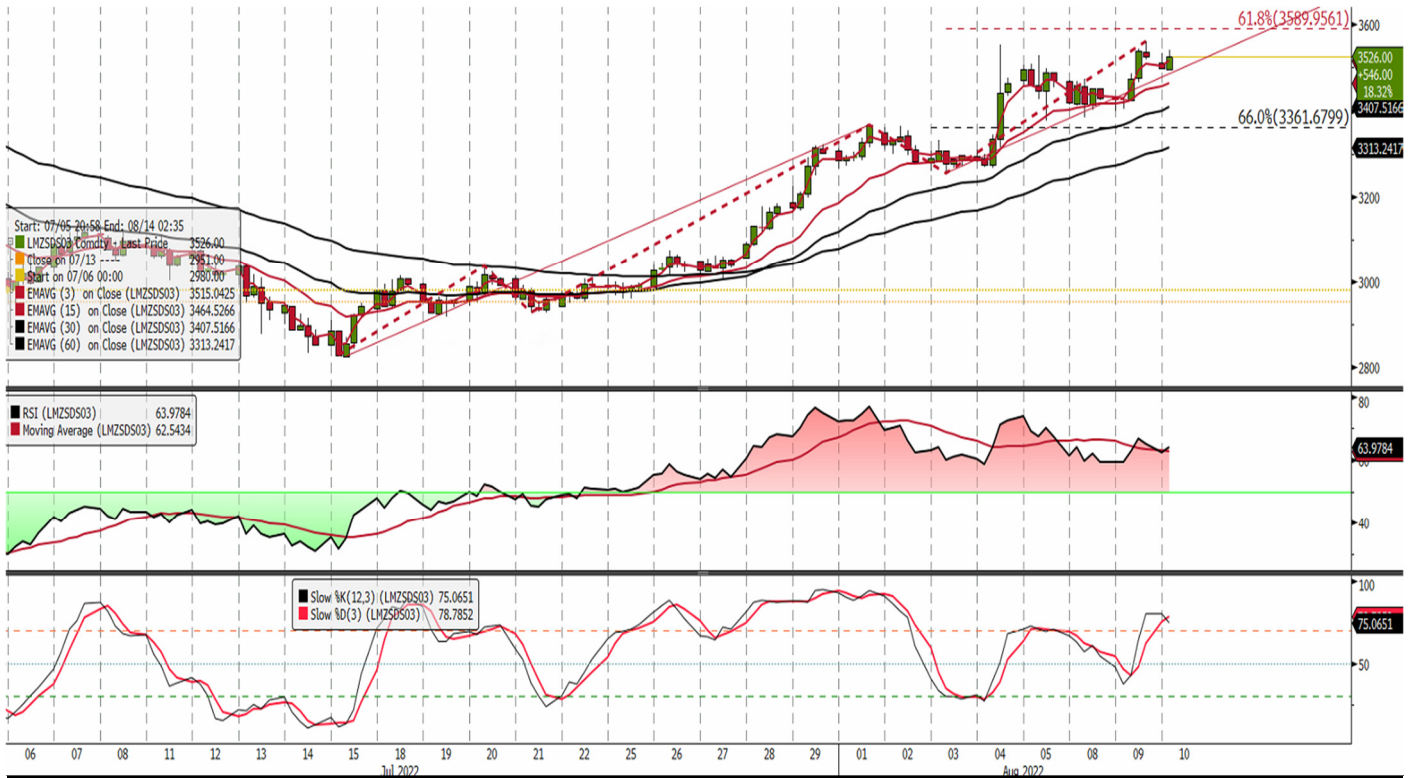
	Support	Resistance	Current Price	Bull	Bear
S1	2,470	R1	2,507	RSI above 50	Stochastic overbought
S2	2,458	R2	2,536		
S3	2,442	R3	2,560		

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (57)
- Stochastic is overbought
- Price is above the daily pivot point 2,425
- The futures traded above but failed to close above the USD 2,496 level indicating the range has expanded rather than been broken at this point. Price is above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 2,472 with the RSI at or below 54 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,442 will support a bull argument, below this level the technical will have a neutral bias.
- The futures have now been basing for nearly a month between USD 2,310 (low) and USD 2,496. The upside move has resulted in the RSI making a new high, suggesting downside support levels should hold if tested.
- Technically we are bullish based on the higher high in the market and the RSI, we now need to see the futures close above the USD 2,496.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,494	R1	3,589	RSI above 50	Stochastic overbought
S2	3,375	R2	3,681		
S3	3,361	R3	3,797		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (60)
- Stochastic is overbought
- Price is above the daily pivot point USD 3,494
- The futures broke to the upside yesterday with price trading to a high of USD 3,561. We remain above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 3,494 with the RSI at or below 60.5 will mean price and momentum are aligned to the sell side. Downside moves that trade below USD 3,375 will warn the USD 3,361 support could be broken, below this level the technical will have a neutral bias.
- Near-term resistance is at USD 3,589 with further resistance at USD 3,681.
- The technical remains bullish but in divergence with price remaining on a bullish 5th wave. The divergence will need to be monitored; we maintain our view that the futures are not considered a technical buy at these levels.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	20,616	R1	21,450	Stochastic oversold	RSI below 50
S2	20,500	R2			
S3	20,005	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA Resistance band (Black EMA's)
- RSI is below 50 (44)
- Stochastic is oversold
- Price is below the daily pivot point USD 21,585
- The futures have traded through the USD 21,600 level leaving the USD 20,500 support vulnerable. 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 21,820 with the RSI at or above 47 will mean price and momentum are aligned to the buyside. Upside moves above USD 23,550 will warn that the USD 25,200 fractal high could be tested. (unchanged)
- The intraday technical is now bearish with price looking to tests the USD 20,616 level, if broken the USD 18,230 low could be vulnerable.
- Price is below USD 21,600, a level that proved resilient on the upside move; however, the break to the downside is yet to convince. We are technically bearish on the intraday but conscious that we have a 3-wave corrective patten in play. If the downside move goes below USD 20,616 then the pullback on the daily technical will be considered as deep, warning the probability of a bullish move will decrease.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,157	R1	2,174	RSI above 50	Stochastic overbought
S2	2,114	R2	2,221		
S3	2,092	R3	2,281		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (66)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,157
- The futures remain technically bullish with price above the EMA support band with the RSI above 50, intraday price and momentum are conflicting.
- A close above USD 2,157 with the RSI at or above 69.5 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. Downside moves that hold at or above USD 2,063 will support a bull argument, below this level the technical will have a neutral bias.
- We continue to see a minor divergence with the RSI, not a sell signal it does warn we have the potential to see a momentum slowdown.
- Technically we remain bullish with downside moves considered as countertrend at this point. With the minor divergence in play, whilst price and momentum are conflicting the futures are starting to look vulnerable, suggesting we could see a technical pullback soon.

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