

China

The People's Bank of China said it will safeguard the economy against inflation threats, pledging to avoid massive stimulus and excessive money printing to spur growth.

The central bank will both support economic growth and ensure stable prices, the PBOC said in its quarterly monetary policy report released Wednesday. At the same time, it will provide stronger and higher-quality support to the real economy, it said.

"Structural inflation pressure may increase in the short term, and the pressure of imported inflation remains," the PBOC said. "We can't lower our guards easily." Bloomberg).

Cu

Base metals advanced, with copper rising to the highest in almost six weeks, as slower US inflation fueled expectations of shallower interest-rate hikes, brightening the outlook for metals at a time supply disruptions are picking up pace.

Investors scaled back bets of how aggressively the Federal Reserve will have to tighten monetary policy after headline inflation receded from a June peak. Global stocks are also rallying on increased interest in risk assets. (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	7,915	R1	8,244	RSI above 50	Stochastic overbought
S2	7,856	R2	8,381		
S3	7,776	R3	8,631		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (65)
- Stochastic is overbought
- Price is above the daily pivot point USD 7,820
- An upside move yesterday on the back of U.S. inflation data pushed the futures to new highs has kept the futures above all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 7,820 with the RSI at or below 58 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 7,776 will support a bull argument, below this level the technical will have a neutral bias. Only below USD 7,602 is the intraday technical bearish.
- Near-term resistance is now at USD 8,244, upside moves above this level will target the USD 8,381 and USD 8,631 resistance levels.
- The technical remains bullish with the futures making new highs; however, the RSI remains in divergence and will need to be monitored, any further weakening of the USD could result in divergence failure and potential wave extension.

Aluminium Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	2,485	R1	2,536	2,510.5	RSI above 50	Stochastic overbought
S2	2,466	R2	2,544			
S3	2,433	R3	2,560			

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (64)
- Stochastic is overbought
- Price is above the daily pivot point 2,479
- The upside move yesterday closed 50 cents above the USD 2,496 level meaning we are potentially witnessing a range breakout. However, with the close being marginal we will still need to see a higher close to support this. Price is above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,479 with the RSI at or below 57 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,466 will support a bull argument, below this level the technical will have a neutral bias.
- We do have a marginal divergence with the RSI that will need to be monitored; however, the RSI itself has been making new highs, suggesting downside moves should in theory be countertrend.
- Technically bullish the divergence will need to be monitored

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	3,483	R1	3,610	RSI above 50	Stochastic overbought	
S2	3,441	R2				3,681
S3	3,382	R3				3,797

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (67)
- Stochastic is overbought
- Price is above the daily pivot point USD 3,426
- Like the rest of the base complex, we saw the futures move higher yesterday resulting in the futures trading up to USD 3,623. Price is above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 3,575 with the RSI at or below 62 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 3,382 will support a bull argument, below this level the technical will have a neutral bias.
- The technical remains bullish with the futures making new highs; however, we have now been in divergence since the 01/08 with secondary divergence forming in the last two trading session. Although not a sell signal it warns that we have the potential to see a momentum slowdown soon and will need to be monitored.
- Technically bullish but a note a caution at this point.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	21,020	R1	23,025	RSI above 50	Stochastic overbought
S2	20,616	R2			
S3	20,005	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA Resistance band (Black EMA's)
- RSI is above 50 (55)
- Stochastic is overbought
- Price is above the daily pivot point USD 22,008
- We noted yesterday that the downside move below USD 21,600 had been unconvincing leaving a note of caution due to a corrective 3-wave pattern that was in play. Price held the USD 20,616 support with price following the rest of the complex higher on the U.S. inflation data. The futures are above the EMA band; however, this remains flat and compressed indicating a lack of trend in the market. The RSI is now above 50 with price and momentum aligned to the buyside.
- A close on the 4-hour candle below USD 22,008 with the RSI at or below 45.5 will mean price and momentum are aligned to the buyside.
- Upside moves above USD 23,550 will be considered as bullish, warning the USD 25,200 fractal resistance could be tested.
- Technically bearish but with a neutral bias. Near-term momentum is currently to the buyside.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,179	R1	2,194	RSI above 50	Stochastic overbought
S2	2,124	R2			
S3	2,100	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (68)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,179
- Price remains technically bullish above all key moving averages supported by the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 2,170 will mean price and momentum are aligned to the sell side. Likewise, a close above this level with the RSI at or above 70 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 2,068 will support a bull argument, below this level the technical will have a neutral bias.
- The futures remain in trend; however, the divergence is becoming more significant, warning that we could soon see a momentum slowdown.
- Technically bullish with downside moves considered countertrend, the divergence will now need to be monitored as there are warning signs that we could see some form of technical pullback.

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