MISSIONS | OIL | FERROUS | FREIGHT | AGRI | METALS | ENERGY | PHYSICAL FREIGHT |

## FIS

### **Base Morning Technical Report**

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

#### China

China's economy showed signs of recovery in August as Beijing rolled out stimulus measures to counter a slow-down, although a property market slump and Covid outbreaks continue to weigh on the outlook.

Industrial production, retail sales and fixed-asset investment all grew faster than economists expected last month. The urban jobless rate slid to 5.3%, while the youth unemployment rate fell from a record high.

The boost to retail sales was partly due to a lower base of comparison from a year earlier and a surge in car sales after Beijing gave buyers subsidies on electric vehicles. Industrial output was also supported by a big spike in electricity production during August's heatwave, a rebound that's unlikely to be sustained. (Bloomberg)

Αl

Aluminum fell, along with most other base metals, as China's production expanded to a fresh record and looming Federal Reserve interest-rate hikes weighed on global economic sentiment.

Primary aluminum output from the top supplier gained 9.6% in August from a year earlier to 3.51 million tons, according to data from the National Bureau of Statistics on Friday. That beat the previous high in July. Output in the first eight months of the year gained 2.1% to 26.47 million tons. (Bloomberg)



#### **Copper Morning Technical (4-hour)**



 S1
 7,667
 R1
 7,851

 S2
 7,563
 R2
 7,909

 S3
 7,510
 R3
 7,987

Stochastic oversold

RSI below 50

**Synopsis - Intraday** 

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (42)
- Stochastic is oversold
- Price is below the daily pivot point USD 7,757
- Technically bearish based on the lower low the futures continued to mo0ve lower yesterday. Price is below
  the EMA resistance band 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 7,757 with the RSI at or above 49 will mean price and momentum
  are aligned to the buyside. Upside moves that fail at or below USD 7,987 will leave the futures vulnerable to
  further tests to the downside, above this level the technical will have a neutral bias. Likewise, a close above
  USD 7,867 will produce a new high close, further supporting a buyer's argument, warning the USD 7,987 resistance could be tested.
- Technically bearish, downside moves below USD 7,510 will warn that the USD 6,995 support could be vulnerable.

# FIS

### **Aluminium Morning Technical (4-hour)**



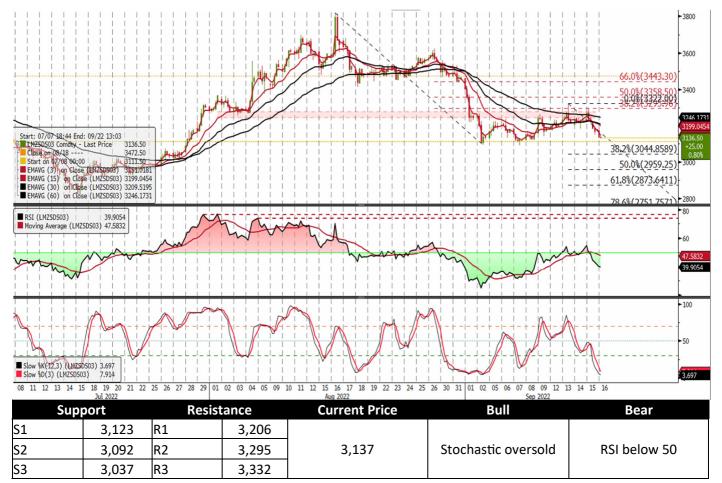
Source Bloomberg

#### **Synopsis - Intraday**

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (48)
- Stochastic is above 50
- Price is below the daily pivot point USD 2,302
- Previously we have been cautious of the bullish intraday technical based on the higher timeframe being bearish. The futures have broken fractal support meaning we are now bearish. 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 2,302 with the RSI at or below USD 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. Upside moves that fail at or below USD 2,419 will leave the futures vulnerable to further tests to the downside, above this level the technical has a neutral bias.
- The technical is bearish with the futures now in a consolidation phase, a close below USD 2,280 on the 4-hour candle will indicate momentum based on price is starting to weaken, warning the USD 2,243 and USD 2,233 support levels will be vulnerable. A close above 2,315 will warn the USD 2,419 resistance could be tested.

## FIS

### **Zinc Morning Technical (4-hour)**



Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (39)
- Stochastic is oversold
- Price is below the daily pivot point USD 3,206
- Technically bullish but with a neutral bias with price failing below the resistance zone highlighted. We tested the upside resistance on the open yesterday, which again held, resulting in the futures moving lower. Price is below the EMA band with the RSI below 50, intraday price and momentum aligned to the sell side.
- A close on the 4-hour candle above USD 3,206 with the RSI at or above 50 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 3,443 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish with the futures moving lower, downside moves below USD 3,092 will create a positive divergence with the RSI, not a buy signal it will need to be monitored. Wave analysis would suggest we have the potential to trade as low as USD 2,873; however, a new low does mean the minimum requirement for phase/cycle completion has been achieved.

## FIS

### **Nickel Morning Technical (4-hour)**



Synopsis - Intraday Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (53)
- Stochastic is below 50
- Price is below the daily pivot point USD 23,586
- The futures have entered a corrective phase with price now testing the top of the EMA support band with the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 23,586 with the RSI at or above 66.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 24,551 will mean the near-term argument is bearish. However, corrective moves lower that hold at or above USD 22,582 will support a bull argument, below this level the technical will have a neutral bias.
- Price action and the RSI would suggest we are in a countertrend Elliott wave-4, suggesting we have another
  move to the upside to come.

### **Lead Morning Technical (4-hour)**



#### Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (42)
- Stochastic is oversold
- Price is below the daily pivot point USD 1,930
- Technically bearish with a neutral bias last time, a flat EMA band indicated the market lacked trend. The futures have traded lower with price below the EMA band, supported by the RSI below 50, intraday price and momentum are aligned to the sell side.

Source Bloomberg

- A close on the 4-hour candle above USD 1,930 with the RSI at or above 53 will mean price and momentum are aligned to the buyside.
- Bearish neutral previously, the futures have traded below the USD 1,911 support, indicating buyside momentum is weak, warning the USD 1,875 fractal support is now vulnerable.

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at <u>freightinvestorservices.com</u>