

China

China's factory and services activity contracted in October, with signs that things could worsen in the coming months as the government sticks to Covid controls that have disrupted activity across the world's second-largest economy.

Both the official manufacturing purchasing managers index and the non-manufacturing gauge, which measures construction and services activity, fell in the month to 49.2 and 48.7, respectively, missing economists' expectations. A reading below 50 indicates contraction in activity, while anything above suggests expansion. (Bloomberg).

Cu

Copper fell after a slump in China's economic activity added to signs of declining demand in the world's No. 2 economy, while a rebound in the dollar made commodities priced in the currency more expensive.

The data on Monday showed the country's purchasing managers' indexes for factories and services falling into contraction as Covid curbs and the crisis in the property market continue to pressure the world's biggest metals-consuming country. It follows a drop for copper last week after President Xi Jinping packed his ruling group with loyalists at the end of the party congress in Beijing, suggesting the government isn't prepared to change tack on its economic policies. (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	7,430	R1	7,473.5	Stochastic oversold	RSI below 50	
S2	7,401	R2				7,632
S3	7,341.5	R3				7,686

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (43)
- Stochastic is oversold
- Price is below the daily pivot point USD 7,610
- Technically bearish having broken the USD 7,663 fractal support last week, price is below the EMA support 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 7,610 with the RSI at or above 54.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 7,686 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 7,800 is the technical bullish.
- Downside moves below USD 7,430 will warn that the USD 7,401 and USD 7,341.5 support levels could be vulnerable. However, the RSI is making new lows with the futures holding above the USD 7,430 fractal support, meaning we have a bullish hidden divergence is play, warning resistance levels could be tested in the near-term, if the futures break support, the divergence will have failed.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,200	R1	2,229	Stochastic oversold	RSI below 50
S2	2,161	R2	2,247		
S3	2,112	R3	2,265		

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (45)
- Stochastic is oversold
- Price is above the daily pivot point USD 2,229
- Technically bullish on the intraday, due to the depth of the pullback we now have a neutral bias. 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 2,229 with the RSI at or above 54 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 2,290 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 2,343.5 fractal resistance.
- Based on price, the daily technical is bullish have made a new high; however, the futures have rejected the EMA resistance band on the daily chart warning the futures continue to remain vulnerable. Downside moves below USD 2,156.5 will mean the intraday futures are bearish, warning the USD 2,080.5 fractal low could be tested.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,738	R1	2,831	Stochastic oversold	RSI below 50
S2	2,662	R2	2,861		
S3	2,565	R3	2,915		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is below 50 (30)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,861
- Technically bearish with the futures below all key moving averages 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 2,861 with the RSI at or above 45 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,915 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 3,019 is the intraday technical bullish.
- The intraday RSI is making new lows, suggesting upside moves should be considered as countertrend at this point. However, the daily technical is showing a positive divergence with the RSI, not a buy signal it does warn that we have the potential to see a momentum slowdown.
- The technical is conflicting between the intraday and daily, the near-term technical would suggest this move has one more wave to the downside before exhausting; however, due to the daily divergence we are currently a cautious bear from a technical perspective.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	21,482	R1	21,950	Stochastic oversold	RSI below 50
S2	21,015	R2			
S3	20,940	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (48)
- Stochastic is oversold
- Price is below the daily pivot point USD 22,243
- The futures remain in a consolidation phase with price below the EMA resistance band. However, the bands are flat supporting a lack of trend in the market, meaning the band itself is unlikely to be respected at this point. The RSI is below 50 with price and momentum aligned to the sell side.
- A close on the 4-hour candle above USD 22,243 with the RSI at or above 53 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 24,081 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically we are bearish; however, due to the futures being in consolidation for the last 4 weeks we continue to have a neutral bias.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	1,948	R1	2,054	RSI above 50	Stochastic overbought
S2	1,928	R2	2,093.5		
S3	1,900	R3	2,217		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (62)
- Stochastic is overbought
- Price is below the daily pivot point USD 1,948
- Technically bullish but in a corrective phase previously, the downside move below USD 1,850 means the technical entered bearish territory, indicating the bullish intraday Elliott wave cycle has failed. We have seen a move to the upside that broke fractal resistance meaning the intraday technical is again bullish based on price. The futures are above the EMA resistance band 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 1,948 with the RSI at or below 46 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 1,900 will support a bull argument, below this level the technical will have a neutral bias. Only below USD 1,840 is the intraday technical bearish.
- A mixed technical here as the intraday technical is bullish whilst the daily technical is bullish with a neutral bias. However, the bullish intraday wave cycle did fail suggesting caution on this upside move as it has the potential to be countertrend.

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 freightinvestorservices.com