EMISSIONS | OIL | FERROUS | FREIGHT | AGRI | <mark>METALS</mark> | ENERGY | PHYSICAL FREIGHT |

FIS

Base Morning Technical Report

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

China

China's abrupt ending of its Covid Zero policy injects more uncertainty into an already fragile economy, raising the prospect of looser fiscal and monetary policy and more easing in the property market to bolster growth.

That's the view from economists, who expect President Xi Jinping and his officials to flesh out policy objectives for the coming year at the Central Economic Work Conference taking place this week. A target for next year's growth will also likely be discussed, although it won't be disclosed until March, during the annual legislative meeting. (Bloomberg).

Cu

Copper prices edge higher as the dollar slips but concerns about China's Covid-19 cases continue. Three-month copper on the LME rises 0.8% to \$8,432 a metric ton. The ICE Dollar Index drops 0.2% as inventors await U.S. CPI data which will inform the Fed's thinking on interest rates. Surging coronavirus cases in China are threatening to disrupt the nation's reopening and could undermine demand for metals once more. "The difficulties caused by a rapid move away from a zero-Covid strategy could further weigh on consumer and industrial activity in the short term," says ANZ in a note. (Bloomberg).



Copper Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	8,395	R1	8,522			
S2	8,385	R2	8,618	8,440	RSI above 50	
S3	8,322	R3	8,673			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (53)
- Stochastic is oversold
- Price is above the daily pivot point USD 8,395
- The RSI failed to hold above 50 yesterday resulting in further downside in the futures; however, we did hold above the base of the EMA support band and the USD 8,322 fractal support. Price is trading back above the EMA support band with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 8,395 with the RSI at or above 58 will mean price and momentum
 are aligned to the buyside. Likewise, a close below this level will mean it is aligned to the sell side. Upside
 moves that fail at or below USD 8,522 will leave the futures vulnerable to further tests to the downside,
 above this level the technical will have a neutral bias. Only above USD 8,618 is it considered to be bullish.
- Technically bullish with a neutral bias, momentum is again warning the futures are vulnerable to a test to the upside, making key resistance to follow at USD 8,522, if it holds then we could be looking at a more sustained corrective phase.



Aluminium Morning Technical (4-hour)



 Support
 Resistance
 Current Price
 Bull
 Bear

 S1
 2,402
 R1
 2,428

 S2
 2,389
 R2
 2,486
 2,421
 Stochastic oversold
 RSI below 50

 S3
 2,338
 R3
 2,530
 RSI below 50

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (42)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,428
- Bullish with a neutral bias yesterday with support levels looking vulnerable having rejected the upside resistance, the futures continued to move lower with price trading below the USD 2,419 support. 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 2,428 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 2,486 will leave the futures vulnerable to further tests to the downside.
- The futures remain in a corrective phase with the pullback now considered as deep, suggesting the probability of the futures trading back up to the USD 2,577 high in this phase of the cycle has now decreased. A close on the 4-hour candle above USD 2,465 will warn that upside resistance levels are vulnerable. Likewise, a close below USD 2,411 will imply that the USD 2,389 and USD 2,338 support levels could be tested and broken.

FIS

Zinc Morning Technical (4-hour)



Synopsis - Intraday Source Bloomberg

Price is above the EMA support band (Black EMA's)

3,400

RSI is above 50 (64)

S3

Stochastic is overbought

3,191

• Price is above the daily pivot point USD 3,244

R3

- The futures remain in a bullish trending environment with price holding support levels yesterday. 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 3,244 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 3,158 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, we do have a minor divergence with the RSI that will need to be monitored. Elliott wave analysis continues to suggest that we have a potential upside target at USD 3,400.50 at this point.

FIS

Nickel Morning Technical (4-hour)



Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (55)
- Stochastic is oversold
- Price is above the daily pivot point USD 29,451
- Technically bullish but in a corrective phase yesterday the futures moved sideways to slightly higher. Price is coming under light pressure on the open but the technical itself is mostly unchanged from yesterday. The futures are above all key moving averages with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 29,451 will mean price and momentum are aligned to the sell side; likewise, a close above this level with the RSI at or above 61.5 will mean it is aligned to the buyside. Upside moves that fail at or below USD 31,954 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 33,575 high.
- Technically bullish, we remain in a corrective phase with key support unchanged at USD 27,988, downside
 moves that hold above this level will support a bull argument, if broken the technical will have a neutral bias,
 warning the USD 26,921 and USD 25,110 support levels could be vulnerable.

Lead Morning Technical (4-hour)



Synopsis - Intraday

- Price is between the EMA support band (Black EMA's)
- RSI is above 50 (51)
- Stochastic is below 50
- Price is above the daily pivot point USD 2,177
- The futures traded below but failed to close below the USD 2,166 level yesterday, meaning support levels remained intact. The futures have since moved higher with price between the EMA support band (we are testing the upper EMA) with the RSI above 50, intraday price and momentum are aligned to the buyside.

Source Bloomberg

- A close on the 4-hour candle below USD 2,177 with the RSI at or below 47 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,204 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 2,229 will the intraday technical be bullish.
- We are seeing bullish price action on the intraday technical with near-term resistance looking vulnerable; however, it remains in place at this point, meaning the technical is still bearish. If we see a close on the 4-hour candle below USD 2,185 then it would suggest that support levels could be tested and broken.

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>