

China

Morgan Stanley cited a faster reopening following the end of Covid Zero, along with housing support and tech regulatory easing, in its decision to raise the gross domestic product projection from an earlier estimate of 5.4%.

The “near-term pain of a fast reopening will likely be compensated by an earlier and stronger recovery,” economists including Robin Xing wrote in a Monday research note

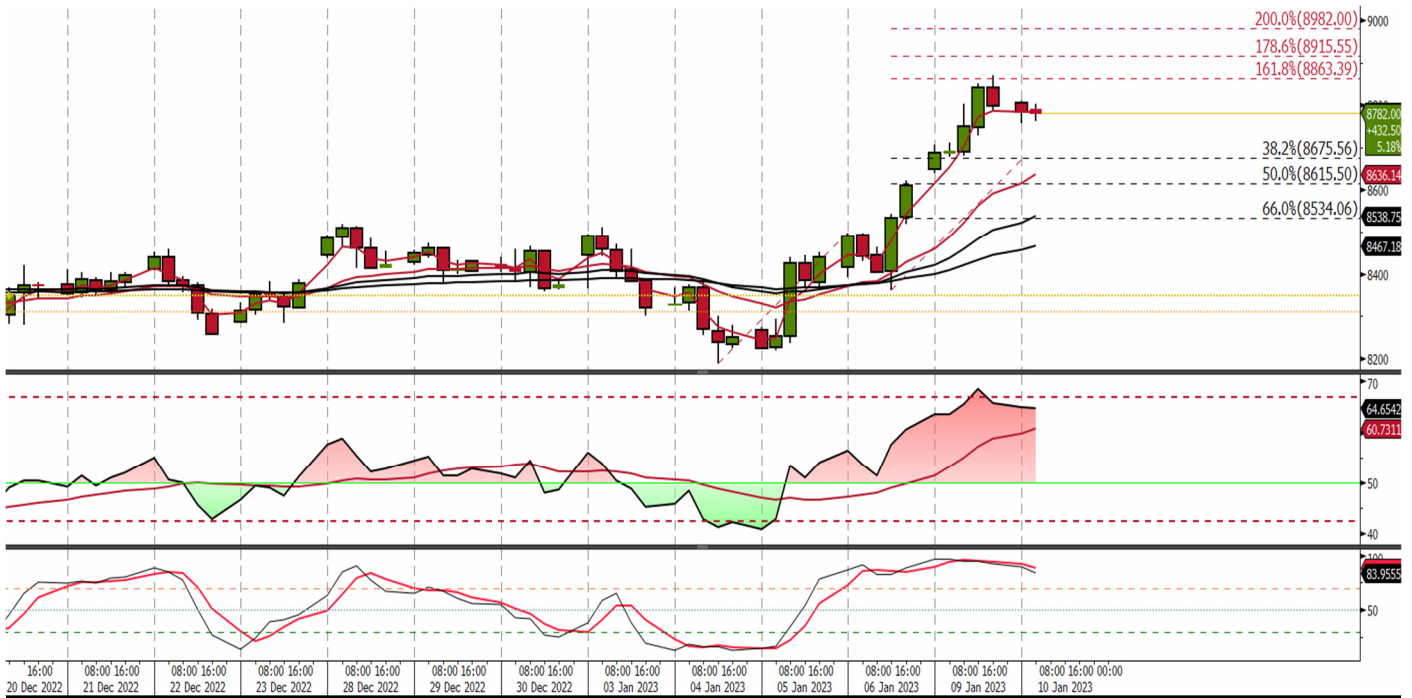
GDP growth and consumption will largely move to new trend growth by the second half of this year, they added, “although not return to the pre-Covid path” (Bloomberg).

Cu/Al

Copper and aluminum fell with most base metals after sentiment was hit by Federal Reserve officials signaling the central bank will keep hiking interest rates in coming months.

While hopes were mounting for a quick end to aggressive monetary tightening as global inflation cools, such optimism was dented on Monday when Raphael Bostic, president of the Atlanta Fed, and San Francisco counterpart Mary Daly separately said the central bank will likely need to raise interest rates above 5%. (Bloomberg)

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,675	R1	8,863	RSI above 50	Stochastic overbought
S2	8,615	R2	8,915		
S3	8,534	R3	8,982		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (64)
- Stochastic is overbought
- Price is above the daily pivot point USD 8,789
- Technically bullish yesterday but in divergence, warning we had the potential to see a momentum slow-down; however, the lower timeframe Elliott wave cycle suggested there is on more test to the upside to come in the near-term. The futures continued to move higher, resulting in the divergence failing, meaning we are yet to see the technical pullback. Price is 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 8,789 with the RSI at or below 58.5 will mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is aligned to the buy side. Downside moves that hold at or above 8,534 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the futures are yet to produce the technical pullback that we noted yesterday, meaning downside moves should be considered as countertrend at this point.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,395	R1	2,485	RSI above 50	Stochastic overbought
S2	2,371	R2	2,530		
S3	2,348	R3	2,577		

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA Resistance band (Black EMA's)
- RSI is above 50 (60)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,395
- The futures were at an inflection point yesterday, although bearish price was moving higher on the back of the positive divergence; however, the RSI was at 49.9 with the stochastic in overbought territory. Momentum was vulnerable to a downside moves providing the RSI held below 50, if it moved above 50 the stochastic became less relevant. The futures and the RSI moved higher, resulting in an upside moves above the USD 2,427 resistance, meaning the technical is now bullish. Price is above all key moving averages 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 2,395 with the RSI at or below 46.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,317 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the daily technical has held above the USD 2,249 support having produced a 3-wave pattern lower with price now making a higher high, suggesting resistance levels are now vulnerable.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,140	R1	3,169.5	RSI above 50	Stochastic overbought
S2	3,108	R2			
S3	3,064	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (62)
- Stochastic is overbought
- Price is above the daily pivot point USD 3,165
- The intraday futures closed above the USD 3,097 level yesterday resulting in price trading above our near-term upside target at USD 3,196. 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 3,165 with the RSI at or below 54.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 3,064 will support a bull argument, below this level we target the USD 2,972.5 fractal support.
- The upside move above USD 3,196 means the futures remain bearish, but with a neutral bias; however, this move means the daily technical is now bullish (it was bullish/neutral), warning the USD 3,249 and USD 3,339 resistance levels are now vulnerable. Key support to follow is at USD 3,064.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	27,100	R1	27,434	Stochastic oversold	RSI below 50	
S2	27,075	R2				28,044
S3	25,865	R3				29,061

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (40)
- Stochastic is oversold
- Price is below the daily pivot point USD 28,044
- Technically bullish with a neutral bias yesterday, with the base complex moving higher the USD 3,037 resistance had looked vulnerable. The futures opened higher but failed to hold, resulting in price looking to test support levels into the close. 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 28,044 with the RSI at or above 46 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 30,371 will leave the futures vulnerable to further tests to the downside, above this level the futures will target the USD 31,975 fractal resistance.
- The daily technical is bullish, the intraday is bullish but with a neutral bias, downside moves below USD 27,260 have the potential to create a positive divergence with the RSI, not a buy signal, it is warning that we could see a momentum slowdown and will need to be monitored. Key support to follow is at USD 27,075, downside moves below this level will mean the daily technical will have a neutral bias. however, if we hold this level it will support a longer-term bull argument.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	2,204	R1	2,227		RSI below 50	
S2	2,175.5	R2				2,261
S3	2,146.5	R3				2,277

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (48)
- Stochastic is below 50
- Price is below the daily pivot point USD 2,258
- Technically bearish based on the new low yesterday, the futures were nearing a key resistance point, if it held, in theory we moved lower. If broken the USD 2,298 resistance would be vulnerable. The futures broke the resistance resulting in price trading to a high of USD 2,310, taking the technical into bullish territory. However, the subsequent pullback was deep, meaning although bullish we now have a neutral bias. Price is below the EMA support band with the RSI below, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,258 with the RSI at or above 51 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 2,277 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 2,310 high.
- A wild intraday move yesterday has left the futures bullish but with a neutral bias. The daily candle is not a classic rejection candle, but it is a significant rejection with the futures closing in the bottom half of the range. If we see a close below USD 2,215 on the daily candle, then the USD 2,175.5 fractal support could be tested and broken. likewise, a close above the USD 2,310 level will have bullish implications going forward.

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