

Cu

Copper hovered around the strongest level in more than seven months as supply risks mount in South America and optimism grows over a recovery in demand from top consumer China.

The metal has rallied 11% on the London Metal Exchange this year. Chile's Codelco produced 10% less copper than planned in 2022 due to setbacks at mines and projects. In Peru, MMG's Las Bambas copper complex is also mining at a reduced rate because of blockade-related supply challenges. While the blockades predate current political protests, the complex has had to contend "with intermittent disruptions to logistics due to the recent unrest," MMG said. (Bloomberg).

Al

China's economic reopening and much stronger global metals demand will help push aluminum prices up by about 50% this year, according to Goldman Sachs Group Inc.

While the bank sees prices averaging about \$3,100 a metric ton in 2023, the metal could spike to levels "just shy" of \$4,000 by the end of the year, analyst Nicholas Snowden said at a S&P Global aluminum conference in Miami. That compares with a closing price of \$2,636.50 Monday on the London Metal Exchange.

"It is China and the re-opening effect that we think from the second quarter of this year will drive a very significant acceleration in" demand, Snowden said, adding that the bank expects the global economy to avoid a recession this year and remain in a modest growth environment. (Bloomberg)

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,332	R1	9,333.5	RSI above 50	
S2	9,204	R2			
S3	9,138	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (56)
- Stochastic below 50
- Price is above the daily pivot point USD 9,332
- Bullish/neutral but in consolidation; we had seen higher low for the last 3 sessions indicating market support; however, if we did see the futures trade below USD 9,283 (yesterday's low) and close below USD 9,272 then support levels would be vulnerable. We have had a mean reversion back to the EMA support with price trading below USD 9,283; however the move failed to hold with the future closing with light bid support. Price is 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 9,332 with the RSI at or above 62 will mean price and momentum are aligned to the buy side; likewise, a close below this level will mean it is aligned to the sell side. Downside moves that close below USD 9,272 on the 4-hour candle will warn that sell side momentum is increasing, leaving the USD 9,204 and USD 9,026 support levels vulnerable. Likewise, a close above USD 9,430.50 will target the USD 9,560 – USD 9,686 resistance zone in the near-term. (Mostly unchanged).
- The futures remain technically bullish with a neutral bias, price is continuing to consolidate. Above USD 9,550.5 the RSI will be in divergence with the RSI, not a sell signal it does warn that we have the potential to see a momentum slowdown on upside breakouts, suggesting caution going forward. It is worth noting that the consolidation is forming around the weekly 61.8% retracement level (Hi USD 10,845 – Low USD 6,955, 61.8% retracement 9,359). We also note that if you look at the market profile chart USD 9,380 – USD 9,480 is the most heavily traded area in the last 24 months, making it a natural area of resistance. This would also suggest that a close above that holds above this zone will have bullish implications going forward. This is a very conflicting technical, there are reasons to be cautious, but if we do break higher, we could run.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,649.5	R1	2,679.5	RSI above 50	Stochastic overbought
S2	2,555	R2	2,718		
S3	2,516	R3	2,769		

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (60)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,649.5
- Technically bullish yesterday with upside moves above USD 2,642.5 suggesting the USD 2,679.5 fractal resistance could be tasted and broken. Likewise, a close on the 4-hour candle below USD 2,555 it would suggest the futures are entering a more complex corrective phase. The futures have traded above the USD 2,642.5 resistance to a high of USD 2,679.5. Price is above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,649.5 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 2,397 will support a longer-term bull argument, below these levels the USD 2,251 fractal low becomes vulnerable.
- We are technically bullish with the USD 2,679.5 fractal high now vulnerable. However, above this level the futures will create a negative divergence with the RSI, not a sell signal it does warn that we have the potential to see a momentum slowdown and will need to be monitored. Downside moves below USD 2,555 will warn that the USD 2,397 support could be vulnerable.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	3,432	R1	3,434	RSI above 50	Stochastic overbought	
S2	3,389	R2				3,520
S3	3,365	R3				3,589

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (60)
- Stochastic is overbought
- Price is above the daily pivot point USD 3,432
- A cautious bull yesterday as we are seeing warning signs that the upside move could be exhausting for now. We did see a small test to the downside, but the futures have held above the EMA support band with the RSI still above 50, intraday price and momentum continue to conflict.
- A close on the 4-hour candle above USD 3,432 with the RSI at or above 63 will mean price and momentum are aligned to the buy side; likewise, a close below this level with the RSI at or below 58.5 will mean it is aligned to the sell side. Downside moves that hold at or above USD 3,333 will support a bull argument, below this level the technical will have a neutral bias.
- We remain a cautious bull, above USD 3,466.50 the futures will create a second divergence, suggesting caution going forward. However, intraday Elliott wave analysis does suggest we have the potential to trade to a new high. Key long-term support remains unchanged at USD 3,123; the wave cycle is bullish above this level and neutral below.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	28,671	R1	28,782	RSI above 50	
S2	27,930	R2			
S3	27,421	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (52)
- Stochastic is above 50
- Price is above the daily pivot point USD 28,671
- Technically bullish but in a corrective phase yesterday with key support at USD 27,421. The futures held support resulting in a move higher. The futures remain above the EMA resistance band (this is yet to cross to the buy side) with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 28,671 with the RSI at or above 55.5 will mean price and momentum are aligned to the buy side. Likewise, a close below this level with the RSI at or below 51 will mean it is aligned to the sell side. Downside moves that hold at or above USD 27,421 will support a bull argument, below this level the technical will have a neutral bias.
- We remain technically bullish, downside moves below USD 27,800 will indicate that the futures are in a more complex corrective phase. A move below USD 27,421 will leave the USD 27,020 and USD 26,500 support levels vulnerable.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,115	R1	2,130		RSI below 50
S2	2,048.5	R2			
S3	2,016	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (47)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,115
- Technically bearish yesterday with upside moves considered as countertrend. We noted that the 1-hour RSI was in divergence, not a buy signal it warned that we could see a momentum slowdown, suggesting caution on downside moves, as we were due a countertrend corrective wave higher. The futures have had a strong move to the upside with price trading briefly into the EMA resistance band yesterday. The RSI is below 50 but price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,115 with the RSI at or below 36 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,186 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- We look to be in the countertrend move that we warned about yesterday, making USD 2,186 the key resistance to follow. The RSI is below 50 with the stochastic in overbought territory, if the RSI can hold below 50 then momentum is warning that the futures are vulnerable to a test to the downside. The trend is bearish but momentum is to the buyside at this point, suggesting resistance levels are a little bit vulnerable.

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