

## China

China's central bank will probably increase the amount of cash it pumps into the money market this week to rein in funding costs.

The People's Bank of China will offer 500 billion yuan (\$73 billion) of one-year medium-term loans to banks in February, 200 billion yuan more than the amount maturing, according to the median forecast of economists surveyed by Bloomberg ahead of the Feb. 15 announcement. That's after a gauge of overnight borrowing costs climbed to a two-year high last week.

An increase in cash injection would add to evidence that China is continuing to ease monetary conditions to revive an economy handicapped by years of tough Covid restrictions. A rapid rebound in demand and consumption since the curbs were dropped in December had tightened liquidity and left some economists questioning the need for more stimulus. (Bloomberg).

## Cu

Copper halted a recent run of losses as investors assess a stoppage at the world's second largest mine and await Tuesday's US inflation figures that will steer the Federal Reserve's next moves on monetary tightening.

Freeport-McMoRan Inc. suspended mining and processing at its Indonesian unit due to mudflow at a mill and expects to restore operations by the end of this month. Grasberg's daily output is about 5 million pounds of copper, or 827,820 tons annually, according to the company.

The halt in Indonesia highlights risks to global copper operations after disruptions in major producer Peru, including at the Las Bambas and Antapaccay mines. (Bloomberg).

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,808	R1	8,896	Stochastic oversold	RSI below 50
S2	8,651	R2	9,091		
S3	8,479	R3	9,179		

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (41)
- Stochastic is oversold
- Price is below the daily pivot point USD 8,896
- Intraday Elliott wave analysis suggested on Friday that the USD 8,808 support was vulnerable; however, a new low would create a positive divergence with the RSI, warning we could see a momentum slowdown, suggesting caution on a downside breakout. We had a more of a neutral bias, was price in the daily EMA support band whilst rejecting the intraday resistance band. Something had to give for the market to show its directional bias. The futures have moved lower but remain above the USD 8,808 support. 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 8,896 with the RSI at or above 46.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 9,298 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Likewise, downside moves that hold at or above USD 8,651 will support a longer-term bull argument.
- Technically unchanged with the USD 8,808 support looking vulnerable. A new low will create a positive divergence with the RSI, whilst the futures remain in the daily support band, leaving us a cautious bear, as downside moves could be limited. We maintain a more neutral bias as price remains below the intraday resistance band. Elliott wave analysis suggests that this move lower is potentially a countertrend one.

# Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,422	R1	2,455	Stochastic oversold	RSI below 50
S2	2,397	R2	2,468		
S3	2,343	R3	2,483		

Source Bloomberg

## Synopsis - Intraday

- 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 2,455
- We are a cautious bear on Friday, as a downside moves below USD 2,460 would create a positive divergence with the RSI, not a buy signal it warned that we had the potential to see a momentum slowdown and needed to be monitored. The futures moved lower for the bulk of the session with the RSI going into divergence, price has since opened with light buying support. The Futures remain below the EMA resistance band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,455 with the RSI at or above 41.5 will mean price and momentum are aligned to the buy side; likewise, a close below this level with the RSI at or below 37 will mean it is aligned to the sell side. Upside moves that fail at or below USD 2,483 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 2,515.5 is the technical bullish.
- Having rejected key resistance last week the futures have traded a to a new low; however, the divergence remains in play, meaning we remain a cautious bear at this point.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,019	R1	3,043	Stochastic oversold	RSI below 50
S2	2,947	R2			
S3	2,890	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (34)
- Stochastic is oversold
- Price is below the daily pivot point USD 3,067
- A cautious bear last week, in theory we believed we should test the USD 3,082 low; however, this would create a positive divergence with the RSI, not a buy signal it warned we had the potential to see a momentum slowdown. The futures have traded to a new low with price 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 3,067 with the RSI at or above 39 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 3,153 will leave the futures vulnerable to further tests to the downside. Only above USD 3,174 is the technical bullish.
- The futures are now in divergence with the RSI, not a buy signal it does warn that we have the potential to see a momentum slowdown. Price is also now approaching the long-term support zone that started back in September 2022, this has the potential to be an area of interest to market buyers, as it has previously acted as a support and resistance area. We remain cautious at these levels.



# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	27,089	R1	28,078		RSI below 50
S2	26,509	R2	28,098		
S3	25,770	R3	28,297		

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (44)
- Stochastic is above 50
- Price is below the daily pivot point USD 28,098
- Technically bearish with a neutral bias on Friday, the upside move looks to have been outside the technical, due to the fraud committed against Trafigura, suggesting we could have a supply issue. The short covering failed to push the futures higher, with price giving back most of Thursdays gains. Price is back 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 28,098 with the RSI at or above 48 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 28,594 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 29,225 fractal resistance.
- Technically bearish with support levels now vulnerable. We are seeing upside rejection at this point, downside moves below USD 26,740 will leave support levels vulnerable; however, be mindful that this could create a positive divergence with the RSI.

# Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,075	R1	2,089.5	Stochastic oversold	RSI below 50
S2	2,048	R2			
S3	2,028	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (43)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,094
- Bearish with a neutral bias on Friday, supported by a flat EMA band. Upside moves above USD 2,175 would take the technical into bull territory, whilst a close on the 4-hour candle below USD 2,097 will warn that support levels were vulnerable. The futures moved lower with support levels broken, 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 2,094 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 2,137 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 2,169 is the technical bullish.
- Technically bearish, the new low is warning that support levels are vulnerable. However, price is in divergence with the RSI, not a buy signal it does warn we have the potential to see a momentum slowdown and will need to be monitored, making us a cautious bear.

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