

China

The Chinese central bank reversed a five-day net injection to drain cash from the banking system as money market tension eased while repo rates fell. Yuan rebounds with Asian peers as the dollar's rally wanes (Bloomberg).

US

Federal Reserve Bank of New York President John Williams said it's critical the US central bank remain committed to its 2% inflation goal, and emphasized monetary policy must bring supply and demand into better balance to lower inflation.

"At the end of the day our job is clear," Williams said Wednesday at a conference held at the New York Fed. "Our job is to make sure that we restore price stability which is truly the foundation of a strong economy."

Fed officials have been indicating that interest rates may need to move higher than previously thought following upside inflation and labor market surprises this month (Bloomberg).

Cu

Copper held a decline following hawkish signals from the US Federal Reserve and signs of weak near-term demand in China.

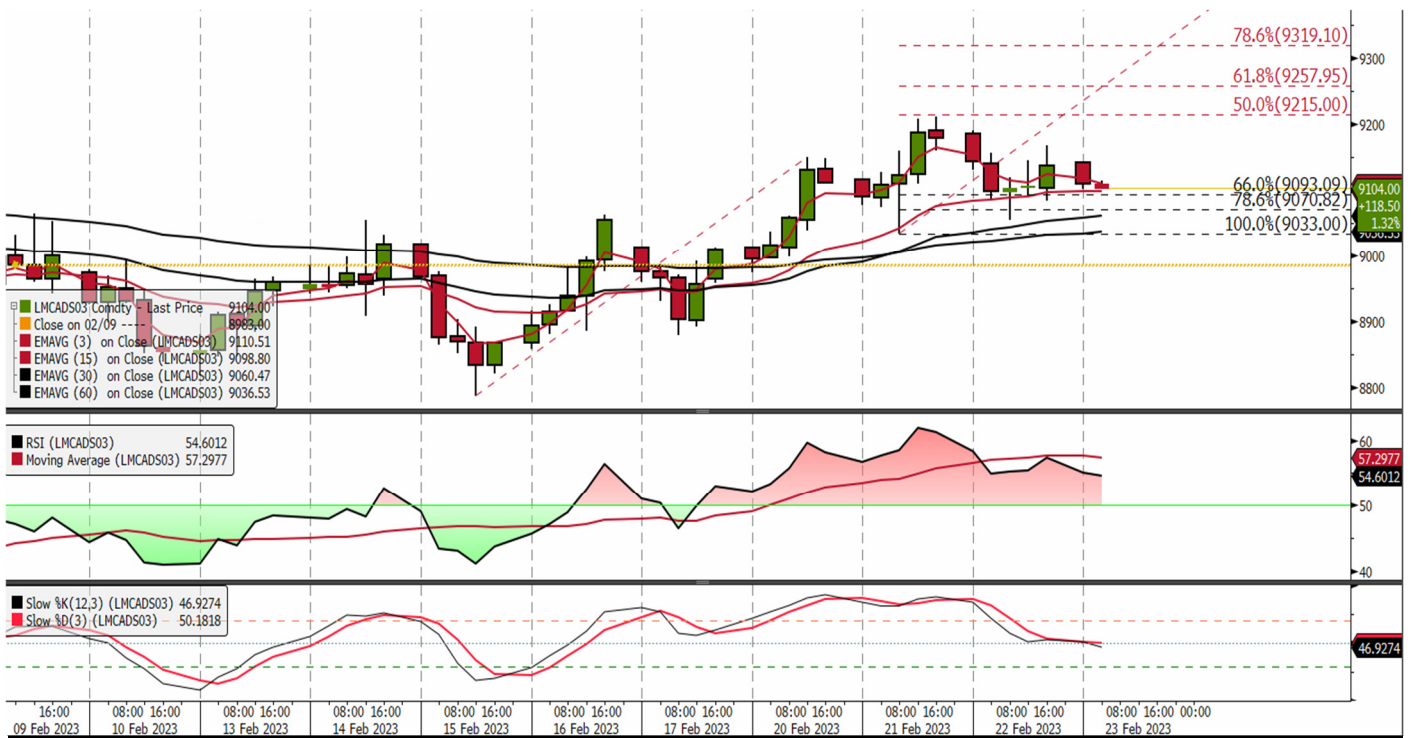
Benchmark futures fell on Wednesday from the highest close in three weeks after minutes from the Fed's last meeting underlined the scope for higher interest rates to bring down inflation. In China, traders are still waiting for more concrete evidence that domestic demand is rebounding. (Bloomberg)

Pb

Overnight, LME lead opened at \$2,147/mt and fell slowly during the Asian trading hours. During the European trading hours, LME lead rose slightly to \$2,152.5/mt, but then fell to \$2,090/mt as the US Federal Reserve released the minutes of the FOMC meeting and a few participants agreed to raise the interest rate by 50 basis points. LME lead prices finally closed at \$2,091.5/mt, a decrease of 2.56%. Open interest increased 324 lots to 103,000 lots, and trading volume declined 890 lots to 4,229 lots.

The most-traded SHFE 2304 lead contract opened at 15,445 yuan/mt and closed at 15,440 yuan/mt, up 0.16%, after briefly hitting the highest point at 15,500 yuan/mt and the lowest point at 15,415 yuan/mt. Open interest increased 28,425 lots to 56,288 lots, and trading volume declined 24,462 lots to 20,587 lots. (SMM)

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,093	R1	9,119	RSI above 50	
S2	9,070	R2	9,215		
S3	9,033	R3	9,257		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (54)
- Stochastic is at 50
- Price is below the daily pivot point USD 9,119
- Technically bullish yesterday, the 1-hour RSI was in divergence, warning we have the potential to see a momentum slowdown, making USD 9,093 the key near-term support to follow. The MA on the RSI does suggest that's buyside momentum is supported at this point; however, with price in divergence on the lower timeframe we have a note of caution, as it needed to be monitored. The futures did move lower with price breaching the USD 9,093 support, the intraday technical now has a neutral bias. Price is above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 9,119 with the RSI at or above 59.5 will mean price and momentum are aligned to the buyside. Upside moves above USD 9,168 will break a fractal resistance, warning the USD 9,212 high could come under pressure.
- Bullish with a neutral bias, the MA on the RSI is now flat, warning buyside momentum is starting to weaken, we can see that the MA on the RSI has already acted as a resistance. Downside moves below USD 9,033 will mean the intraday technical has entered bearish territory. Upside moves above USD 9,212 will indicate wave extension; however, a new high will create a negative divergence with the RSI, implying caution on upside breakouts. We remain a cautious due to the depth of the pullback, a divergence ahead and weakening momentum.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,410	R1	2,427	Stochastic oversold	RSI below 50
S2	2,396	R2	2,435		
S3	2,372	R3	2,457		

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (44)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,427
- Technically bullish but in a corrective phase yesterday with the MA on the RSI continuing to suggest that the futures were seeing momentum support. On the lower timeframe Elliott wave cycle it looked like we have potentially seen an extended wave, suggesting downside moves should still be considered as countertrend. The futures traded lower for the session with price breaking the USD 2,410 support, meaning the technical although bullish now has 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 2,427 with the RSI at or above 52 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 2,457 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 2,485 high.
- Bullish with a neutral bias, wave analysis had suggested that we should be looking at a countertrend move; however, the pullback is deep suggesting caution. The RSI is below 50 whilst its MA is flat, indicating buy side momentum has weakened. In theory we still have the potential for another test to the upside, in reality, we have warning signs that would suggest we should have a neutral view at this point.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,039	R1	3,074	Stochastic oversold	RSI below 50
S2	3,018	R2	3,115		
S3	2,982	R3	3,149		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (46)
- Stochastic is oversold
- Price is below the daily pivot point USD 3,074
- The technical was bullish on the back of the break in fractal resistance on the 20/02, we noted yesterday that the futures were correcting due to a lower timeframe negative divergence, making USD 3,039 the key support to follow. The futures corrected for the remainder of the session resulting in price trading to a low of USD 3,050. 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 3,074 with the RSI at or above 52.5 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 3,039 will support a near-term bull argument, below this level the futures will have a neutral bias. Likewise, upside moves that fail at or below USD 3,115 will leave the futures vulnerable to further tests to the downside, if broken we target the USD 3,149 high.
- The futures are technically bullish but remain in a corrective phase; however, the RSI is below 50 whilst its MA is neutral, buyside momentum has weakened. Key support to follow remains at USD 3,039, if we hold this level, it will warn that the trend could be transitioning to the buyside on the higher timeframe; however, if broken then the USD 2,982.5 support will be vulnerable.
- The technical is at an inflection point with the EMA resistance band flat, indicating a lack of trend, as is the MA on the RSI. Bullish based on the higher high we are lacking directional bias, we could potentially be transitioning to the buyside, but need to see more form the technical for confirmation.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	26,183	R1	26,433		RSI below 50
S2	25,660	R2	27,395		
S3	25,000	R3	27,978		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (46)
- Stochastic is below 50
- Price is below the daily pivot point USD 26,433
- The correction into the close meant we had conflicting momentum yesterday. The RSI was below 50 with the stochastic overbought, if the RSI could hold below 50, then support levels would be vulnerable. However, the MA on the RSI was still bullish, suggesting support levels could hold if tested, making USD 26,183 the key level to follow on the technical. Bullish on the intraday, price now needs to hold USD 26,183, otherwise the USD 25,560 low will be vulnerable. The futures opened lower, traded to a low of USD 26,190, meaning our key support is holding for now. Price is 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 26,433 with the RSI at or above 47 will mean price and momentum are aligned to the buy side. Likewise, a close below this level with the RSI at or below 44.5 will mean it is aligned to the sell side. Downside moves that hold at or above USD 26,183 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, USD 26,183 is the key support to follow at this point, as it was tested 3 times yesterday.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,101	Stochastic oversold	RSI below 50
S2	R2			
S3	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 2,115
- Technically bullish but in a corrective phase yesterday, we maintained our view that downside moves should be considered as countertrend at this point, making USD 2,074 the key support level to follow. The futures sold lower but price is above the USD 2,074 level at this point. 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 2,115 with the RSI at or above 57.5 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 2,074 will support a bull argument, below this level the technical will have a neutral bias. Likewise, upside moves that fail at or below USD 2,146 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 2,175 high.
- The futures remain technically bullish but in a corrective phase, making USD 2,074 the key level to follow on the technical. The MA on the RSI has started to weaken, warning intraday support levels could be vulnerable.

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