

## China

China's economy is showing signs of a stronger rebound after Covid restrictions were abandoned, with manufacturing posting its biggest improvement in more than a decade, services activity climbing and the housing market stabilizing.

The manufacturing purchasing managers' index rose to 52.6 last month, the National Bureau of Statistics said Wednesday, the highest reading since April 2012. A non-manufacturing gauge measuring activity in both the services and construction sectors improved to 56.3. Both indexes beat economists' expectations. (Bloomberg).

## Metals

Iron ore surged and copper advanced after a batch of indicators from China — from improving factory activity to rising home sales — pointed to an accelerating recovery in demand.

The country's manufacturing purchasing managers' index for February showed its highest reading since 2012, beating economists' estimates as factories began re-opening after the Lunar New Year holiday. Home sales by major developers rose in February for the first time in 20 months.

The data will embolden metals bulls who are counting on China's rebound to power demand growth this year. After an optimistic start to 2023, industrial metals wavered in February as investors monitored a more hawkish Federal Reserve, and awaited clearer signs that China's economy was on the mend.

There were other positive signs from Asia's biggest economy, particularly from the steel market. Almost two thirds of steel companies said they expect sales to improve this month, according to a report from researcher Mysteel. Investors are looking to the National People's Congress, which starts this weekend, for more policy measures to bolster growth (Bloomberg)

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	8,900	R1	9,041	RSI above 50	Stochastic overbought	
S2	8,856	R2				9,168
S3	8,796	R3				9,212

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (54)
- Stochastic is overbought
- Price is above the daily pivot point USD 8,915
- Technically bearish yesterday, the RSI continued to suggest that the current upside move looked to be countertrend, making USD 8,998 the key resistance to follow. A close on the 4-hour candle above USD 8,928 would warn that the USD 8,998 resistance could be tested and broken. The futures moved higher for the remainder of the session with price closing above the USD 8,928 level. A move higher on the Asian open means the USD 8,998 resistance has now been broken, the technical although bearish has a neutral bias. Price is above the EMA resistance band with the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 8,915 with the RSI at or below 42 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 8,796 will support a near-term bull argument, below this level we target the USD 8,670 fractal low.
- Technically bearish with a neutral bias, the strength of the upside move is warning the USD 9,168 resistance is vulnerable, making the USD 8,796 level the key support to follow. The RSI is now above 50 with its MA supporting this upside moves, suggesting support levels could hold if tested. The technical had previously warned that this upside move looked to be countertrend, the breach in USD 8,998 resistance would suggest caution on downside moves, as the deep pullback is warning that the probability of the futures trading back to a new is decreasing.

# Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,365	R1	2,429	RSI above 50	Stochastic overbought
S2	2,338	R2	2,450		
S3	2,321.5	R3	2,485		

Source Bloomberg

## Synopsis - Intraday

- Price is between the EMA resistance band (Black EMA's)
- RSI is above 50 (52)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,362
- We remained technically bearish with the RSI below 50 yesterday, the breach in the RSI support on the 24/10 had warned that we were still vulnerable to a move to the downside, suggesting caution on upside moves. Key resistance to follow was at USD 2,485. The futures initially moved lower before finding bid support into the close, price has moved higher on the Asian open on the back of the China manufacturing PMI. The futures are between the EMA resistance band with the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 2,362 with the RSI at or below 39.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,485 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 2,365 will support a near-term bull argument, below this level the futures will target the USD 2,338 – USD 2,321.5 fractal support zone.
- We remain technically bearish but the futures are moving higher, the RSI held its MA support yesterday warning buy side momentum is strengthening; we also note that the last 3 daily pivot points are within USD 8.00 of each other. The pivot point cluster is warning that we could be now forming a base, suggesting resistance levels are now vulnerable. The move in copper and the PMI figures, alongside the supported momentum would suggest caution on downside moves. The technical is not bullish, but we are seeing signs it could be about to transition to the buy side.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,008	R1	3,077	RSI above 50	Stochastic overbought
S2	2,994	R2	3,104		
S3	2,939	R3	3,149		

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (54)
- Stochastic is overbought
- Price is above the daily pivot point USD 3,008
- Technically bearish yesterday, the futures remained in divergence whilst price remained below key resistance levels. The futures were rolling to the downside, suggesting we could trade to a new low in the near-term. Despite the futures moving lower, we did not consider the market as a technical sell, as further divergences would suggest we could see some market accumulation at lower levels. Price did move lower but failed to make a new low, resulting in a move higher in the afternoon and morning Asian session. The futures are above the EMA resistance band with the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 3,008 with the RSI at or below 41.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 3,077 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 2,994 will support a near-term bull argument, below this level we target the USD 2,939 fractal low.
- Bearish but not a technical sell yesterday, the futures are now moving higher having held the support zone once again, warning resistance levels are now vulnerable; however, we remain below USD 3,077 which is the key level to follow on the technical at this point.

# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	24,280	R1	24,794	Stochastic oversold	RSI below 50
S2	23,730	R2			
S3	22,740	R3			

## 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 24,945
- We had previously seen a close back above the daily 200-period average; however, we needed to hold above this level to convince the market was supported. The intraday technical continued to warn that resistance levels should hold with the USD 24,280 support still vulnerable. The futures moved lower but rejected the downside with price closing just below the 200-period MA. 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 24,945 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 26,335 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- We remain technically bearish but the futures have rejected the downside with the RSI holding its MA support. A move below USD 24,280 will create a positive divergence with the RSI, not a buy signal it does warn that we have the potential to see a momentum slowdown on a new low, suggesting caution on downside breakouts. For this reason we do not consider the futures a technical sell at this point. Based on the rest of the sector there is a good chance that the futures will open with buy side support.

# Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,097	R1	2,128	RSI above 50	Stochastic overbought
S2	2,091	R2			
S3	2,074	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (55)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,097
- The futures were rejecting the upside resistance yesterday, but momentum was conflicting. The RSI was below 50 with the stochastic in overbought territory. If the RSI could hold below 50 then momentum would suggest we are vulnerable to a test to the downside. However, the MA on the RSI was rising, implying buy-side momentum had started to strengthen, making USD 2,072 the key support to follow. Bullish with a neutral bias, if the support held we could test upside resistance, if broken, the RSI/Stochastic combination suggests we test the USD 2,050 fractal support. The downside move in the futures held support as did the RSI on its MA, resulting in the futures moving higher in the afternoon and Asian day session. Price is above the EMA resistance band with the RSI above 50, intraday price and momentum are aligned to the buy-side.
- A close on the 4-hour candle below USD 2,097 with the RSI at or below 48.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,132 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 2,175 fractal high. Likewise, downside moves that hold at or above USD 2,096 will support a near-term bull argument.
- Technically bullish with a neutral bias, with support holding yesterday alongside the RSI moving above 50, the USD 2,132 resistance is now vulnerable, if broken the technical is bullish meaning we target the USD 2,175 fractal high.

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