

## China

The MSCI China Index rises as much as 2.5% before paring its gain to 1.9% in afternoon trading after the debut of Li Qiang as the country's new premier and a decision to keep Yi Gang on as PBOC governor sent encouraging signals to the market.

"The market likes the continuity, and Yi Gang is seen as a reform-minded technocrat and the market gives him credibility for his handling of monetary policy during the pandemic," said Hao Hong, chief economist at Grow Investment Group. "Thus, he is market friendly" (Bloomberg).

## Cu

Rio Tinto Group has begun digging copper from the underground portion of its prized mine in Mongolia — an expansion that will turn the operation into one of the world's largest — after years of delays, cost blow-outs and billion-dollar disputes with the country's government.

The Oyu Tolgoi project is now producing ore from 1.3 kilometers below the surface of the Gobi Desert, Rio's Chief Executive Officer Jakob Stausholm told reporters gathered at the site. The world's No. 2 miner is spending \$7 billion on the underground project that's a cornerstone of the company's growth plans.

Workers in the underground portion of the Oyu Tolgoi mine in Khanbogd, Mongolia, on March 13.

"It's not been a smooth ride, let's be honest about that," said Stausholm, referring to the mine's long and troubled journey as lawmakers in the resource-dependent country repeatedly sought better terms. Mongolia had "very skillfully handled" negotiations, he said.

The prize for Rio is one of the world's few large-scale new sources of a metal needed in vastly expanded volumes as the energy transition accelerates. At its peak in 2030, Rio says its Mongolian operation will be the world's fourth-biggest source of copper, churning out half a million tons a year. That's enough for around 6 million electric vehicles or 60 of the biggest wind farms. (Bloomberg).

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,808	R1	8,980	RSI above 50	
S2	8,729.5	R2	8,926		
S3	8,713	R3	9,168		

## 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 8,808
- Support levels were vulnerable last week due to the upside rejection of the resistance band and the depth of the downside move. However, the drop in the monthly earnings of Friday resulted in the USD weakening and copper going bid. 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 8,808 with the RSI at or below 45 will mean price and momentum are aligned to the sell side.
- Bearish/neutral on price with the RSI finding support on its MA. Upside moves above USD 8,980 will create a higher high, at this point the technical becomes bullish. With the futures trading through key support and resistance levels in recent days we consider this technical to be neutral until we see a directional breakout.

# Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	2,306	2,331		RSI below 50
S2	2,300			
S3	2,284			
	R1	2,340		
	R2	2,351		
	R3	2,369		

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (44)
- Stochastic is below 50
- Price is above the daily pivot point USD 2,333
- Technically bearish on Friday but in divergence with the RSI, warning we had the potential to see a momentum slowdown, intraday Elliott wave analysis suggested we had a potential downside target at USD 2,284. The futures traded to a low of USD 2,285 before finding buy-side support, price is moving higher on the Asian open. The futures are below the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the buy-side.
- A close on the 4-hour candle below USD 2,306 with the RSI at or below 38 will mean price and momentum are aligned to the sell side. Upside, moves that fail at or below USD 2,340 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 2,369 is the intraday technical bullish.
- Technically bearish but moving higher on the back of the positive divergence, the futures have traded within USD 1.00 of our target, suggesting caution on downside moves at this point.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,929	R1	2,949	Stochastic oversold	RSI below 50
S2	2,905	R2	2,962		
S3	2,890	R3	2,973		

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (39)
- Stochastic is oversold
- Price is above the daily pivot point USD 2,929
- A cautious bear on Friday as the futures had rejected the EMA resistance band with price trading in the long-term support zone whilst in divergence with the RSI. The futures traded to a new low and closed down on the day but have found bid support on the Asian open. 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 2,929 with the RSI at or above 44.5 will mean price and momentum are aligned to the buy side; likewise, a close below this level with the RSI at or below 40 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,962 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 2,369 is the technical bullish.
- We remain a cautious bear as the futures have moved higher on the back of the divergence whilst in the support zone.



# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	22,455	R1	22,684	Stochastic oversold	RSI below 50
S2	21,613	R2			
S3	20,897	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (30)
- Stochastic is oversold
- Price is below the daily pivot point USD 23,843
- We remained a cautious bear on Friday as the futures were still in divergence with the RSI, we did not consider the futures a technical sell. Price moved lower and remains 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 23,843 with the RSI at or above 38 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 24,157 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 24,950 is the technical bullish.
- The downside move on Friday means the divergence with the RSI has now failed, the MA on the RSI remains bearish. We remain a cautious bear at this point as the RSI is now at 30; however, based on the new lows in price and momentum it does warn that upside resistance levels could hold if tested, making USD 24,157 the key level to follow. However, the sector is finding buy side support this morning on a weaker USD, warning resistance has the potential to come under pressure on the open.

# Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,087.5		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 below 50
- Price is above the daily pivot point USD 2,076
- Technically bearish last week with price below the symmetrical triangle, we still had not see a close below the USD 2,070 level. The futures initially traded below the USD 2,067 support (the 100% projection of the smaller symmetrical triangle) but the move failed to hold. However, into the close we had a bear move that resulted in the futures closing below the USD 2,070 level, warning support levels could come under pressure. We have failed to see downside follow through with the futures finding bid support on the Asian open, the upside move means although bearish we now have a neutral bias. 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 below USD 2,076 with the RSI at or below 43.5 will mean price and momentum are aligned to the sell side. Likewise, a close above this level will mean it is aligned to the buyside. Upside moves above USD 2,106.5 will mean the intraday technical is bullish based on price.
- Technically bearish with a neutral bias, the futures are now consolidating below the symmetrical triangle, meaning we remain vulnerable to downside moves at this point.

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