

## China

Chinese banks kept their benchmark lending rates unchanged Monday, although calls are growing for more central bank easing to spur the economy's recovery.

Commercial lenders kept their one- and five-year loan prime rates unchanged for a ninth consecutive month in May, in line with forecasts from most economists. The LPRs are calculated as a spread over the rate on the People's Bank of China's one-year policy loans, which was kept steady last week. (Bloomberg).

## Al

China, the biggest producer of aluminum globally, is importing more of the lightweight metal from Russia, underscoring how trade ties are strengthening between the two nations as sanctions curb much of the rest of the world's appetite for Russian commodities.

Russian sales of refined aluminum to China nearly trebled in April from the previous year to 88,859 tons, according to Chinese customs data. That's the second-highest amount on record as Russia's share of total Chinese imports grows in the wake of its invasion of Ukraine. (Bloomberg)

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,173	R1	8,238		RSI below 50
S2	8,053	R2	8,327		
S3	7,985	R3	8,401		

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA Resistance band (Black EMA's)
- RSI is below 50 (42)
- Price is below the daily pivot point USD 8,238
- Stochastic is below 50
- We remained technically bearish last week with the MA on the RSI suggested momentum was supported; however, we had seen a breach in the USD 8,173 support. The technical continued to conflict, meaning we remained cautious on downside moves, as the futures are in divergence with the RSI. Like the previous day we had concerns about the length of the wave 3, meaning we had more of a neutral bias, as our expectations would have been to see the futures trading below USD 7,957 for this phase of the cycle. The futures moved higher but produced rejection candle within the EMA resistance band, resulting in the futures moving lower in the Asian day session. The RSI is below 50 with price and momentum aligned to the sell side.
- A close on the 4-hour candle above USD 8,238 with the RSI at or above 47 will mean price and momentum are aligned to the buyside.
- Technically bearish with upside moves considered as countertrend, it does look like we are in a wave 4 of the Elliott wave cycle, meaning the USD 8,088.5 fractal support remains vulnerable. Wave analysis would suggest we have a potential downside target at USD 7,985.

# Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,259.5	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is below 50 (45)
- Stochastic is below 50
- Price is below the daily pivot point USD 2,287
- The futures looked to be rejecting the resistance zone on Friday, but we were yet to see follow through in the Asian day session with price action trading flat to the previous days close. The RSI was below its MA which had started to flatten, indicating buy-side momentum was slowing down. Elliott wave analysis continued to suggest we could see another move to the downside. The technical was bearish with a neutral bias, the EMA resistance band was flat whilst the RSI was neutral. The futures did have another test to the upside but rejected the resistance zone for a second time, resulting in the futures moving lower on the open. Price is below all key moving averages 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 2,287 with the RSI at or above 53.5 will mean price and momentum are aligned to the buy-side. Downside moves that hold at or above USD 2,238 will support a near-term bull argument, below this level the futures will target the USD 2,202 fractal low.
- Technically bearish with a neutral bias, the second rejection of the resistance zone is warning that the USD 2,238 support is vulnerable. The intraday Elliott wave cycle continues to suggest that we could see another move to the downside, the MA on the RSI is indicating that momentum is showing signs of weakness.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,417	R1	2,478	Stochastic oversold	RSI below 50
S2	2,380	R2	2,488		
S3	2,332	R3	2,515.5		

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (33)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,478
- Technically bearish in the last report, the futures were back in divergence with the RSI, not a buy signal, it was a warning we have the potential to see a momentum slowdown. For this reason, we maintained a cautious view, as we continued to see warning signs that this phase of the cycle could soon exhaust. The futures moved higher but rejected the resistance band, resulting in price trading to new lows this morning. We remain below all key moving averages 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 2,478 with the RSI at or above 39.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,488 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.
- Technically bearish, the new low has created another divergence with the RSI, warning we have the potential to see a momentum slowdown. We remain a cautious bear at these levels.

# Nickel Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	21,095		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 (41)
- Stochastic is oversold
- Price is below the daily pivot point USD 21,339
- The new low on Thursday meant that the futures have created another positive divergence with the RSI, resulting in the move higher on Friday. We remained cautious on downside moves, as the bearish Elliott wave 3 was potentially completing, meaning we could now be in the early stages of a countertrend wave 4. The futures traded up to but rejected the EMA resistance band, resulting in the futures moving lower on the Asian open. The RSI is below 50 but intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 21,339 with the RSI at or below 39.5 will mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is aligned to the buy side. Upside moves that fail at or below USD 23,427 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish with upside moves considered as countertrend, as price is now in an Elliott wave 4. The futures are rolling to the downside this morning, meaning the USD 20,895 fractal low is vulnerable; if broken it will confirm that we are on a bearish wave 5, giving us a potential downside target as low as USD 18,179. However, a new low will create a positive divergence with the RSI, not a buy signal, it does warn we could see a momentum slowdown and will need to be monitored.

# Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,086	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is above 50 (51)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,083
- Technically bearish with upside moves considered as countertrend last week, we were moving higher with the MA on the RSI implying momentum was starting to find support, making USD 2,107 the key resistance to follow. However, we noted that a wave 4 has the tendency to complete between the 38.2% and 50% retrace levels, making USD 2,077 – USD 2,090 an area of interest. The futures traded to a high of USD 2,099 before moving slightly lower on the Asian open. Price is between the EMA resistance band with the RSI near neutral at 51, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 2,083 with the RSI at or below 43 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,107 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish with upside moves still considered to be countertrend at this point, making USD 2,107 the key level to follow. The MA on the RSI is suggesting momentum remains supported at this point; however, the last two candles on Friday were Doji's, indicating there is a degree of uncertainty in this upside move.

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