

China

Ken Griffin says he is optimistic that China could beat its growth target and prop up the global economy this year, helping avert a slowdown in growth if the US enters a recession, the Financial Times reports, citing the Citadel founder.

“Why might one be optimistic on China? They’re very clearly putting economic growth back at the top of their priority list,” Griffin says on his first visit to Hong Kong since Covid-19 pandemic: report

He says China remains an essential destination for global investors and one of two central sources of global innovation along with the US: report (Bloomberg).

Al

Aluminum held steady as investors assessed the impact of China’s cut to its short-term policy interest rate, while smelters look set to bring back some idled capacity in the south of the country.

The metal has fallen about 6% this year on the back of a weak outlook for global demand, while China’s post-pandemic recovery has lagged expectations. On Tuesday, the nation’s central bank cut a short-term policy interest rate in its latest move to bolster the top metal-consuming economy.

Production problems affecting smelters in Yunnan province have provided some support to aluminum prices, after droughts crimped power generation from hydroelectric facilities. (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,418	R1	8,445	RSI above 50	Stochastic overbought
S2	8,388	R2			
S3	8,347	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (59)
- Price is above the daily pivot point USD 8,415
- Stochastic is overbought
- Technically bullish with a neutral bias yesterday, the RSI was at 53 with the stochastic in oversold territory. If the RSI could hold above 50, then momentum would suggest that we could see a test to the upside; however, if it moved below 50 then the stochastic would be considered as less relevant. A cautious bull as the previous two pullback have been on a negative divergence, below USD 8,246 the technical would be bearish. The futures have moved higher after finding bid support on the European open. Price is above the EMA support 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 8,415 with the RSI at or below 52.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above 8,347 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the move higher yesterday means we are seeing some form of wave extension, it could be that it is a wave 5 extension, or the start of a new lower timeframe wave cycle, that will become a higher timeframe wave 3 at some point in the future. It is too early to tell which it will be; however, what the cycle is suggesting is that intraday pullbacks look like they will be countertrend in the near-term. If we do see a move below USD 8,261.5 it will warn that the upside cycle is potentially completing.

Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,249	RSI above 50	
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (52)
- Stochastic is below 50
- Price is above the daily pivot point USD 2,235
- The move below the USD 2,233 support had previously warned that the USD 2,205 fractal low was vulnerable. However, this was not supported by the intraday Elliott wave cycle. If we did trade to a new low below USD 2,190 it would suggest we are seeing some form of wave extension that was not showing itself on the technical. We maintained a neutral bias as the technical continued to conflict between the daily chart rejecting its EMA resistance band and the intraday Elliott wave cycle. Having moved higher on the open yesterday the futures remained supported for the rest of the session, we continue to see buyside support this morning. Price is above the EMA resistance band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,235 with the RSI at or below 47 will mean price and momentum are aligned to the sell side.
- The futures continue to consolidate. This is possibly the downside cycle terminating; however, the futures remain below the daily EMA resistance bands. Upside moves above USD 2,284.5 will warn that the USD 2,314.5 fractal high could be tested and broken. Not a technical sell due to the Elliott wave cycle having potentially completed, the futures are not yet considered a technical buy, meaning we must maintain a neutral bias until we see a more positive bull signal.

Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,356	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (59)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,372
- The futures remained bearish with a neutral bias yesterday whilst intraday Elliott wave cycle continued to warn that support levels were vulnerable. Making USD 2,301 the key support level to follow. The futures held the USD 2,333 support yesterday on the back of the Chinese rate cut, resulting in a move higher. Price is above the EMA support band (the averages have now crossed) with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,372 with the RSI at or below 51 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,301 will support a near-term bull argument, below this level will warn that the USD 2,234.5 support is vulnerable.
- The futures continue to prove resilient with price supported at this point, the technical itself remains bearish with a neutral bias. Above USD 2,515.5 the intraday technical will be bullish based on price; however, the peak of the wave 3 on the Elliott wave cycle is at USD 2,696.5, only above this level will the wave cycle have failed. We maintain our view that this upside moves looks to be a countertrend wave 4 and continue to have a cautious view.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	21,670	R1	22,190	RSI above 50	
S2	21,294	R2			
S3	20,725	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (61)
- Stochastic is overbought
- Price is above the daily pivot point USD 21,670
- Technically neutral for the last few weeks, the futures had started to roll over to the downside yesterday but within the consolidation range. A strong upside move above USD 21,840 means we have broken out of the consolidation phase, confirming that the bearish Elliott wave cycle has completed. Price is above the EMA support band (the EMA's have crossed) with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 21,670 with the RSI at or below 50 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 21,294 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the RSI is now making new highs with the bearish intraday Elliott wave cycle now complete. This would suggest that downside moves have the potential to be countertrend, making USD 20,725 the key support to follow.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,077	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (58)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,074
- Bearish with a neutral bias yesterday, the strength of the upside move did suggest caution; however, we were testing the daily resistance band with intraday Elliott wave analysis continuing to suggest that the current upside move looked to be countertrend. If we traded above USD 2,099, then the bearish wave cycle will have failed. The futures continue to move higher with price above the EMA support band, the RSI is above 50 whilst price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,074 with the RSI at or below 54.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,013 will support a near-term bull argument, below this level the USD 1,976 support is vulnerable.
- Technically unchanged, we are bearish with a neutral bias, the wave cycle still suggests that we have the potential to see another move to the downside. The futures are now trading in the daily EMA resistance band, suggesting caution on the upside move; however, with the pullback so deep into the last bear wave it does warn that the probability of the futures trading to a new low are decreasing. For this reason we have a neutral view until we either see new bear signals, or the cycle fails.

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