

China

Beijing New Home Sales Only Drop Among China's Tier-One Cities

The total of new home sales in China's four first-tier cities reached 546,001 square meters of floor space last week, according to Bloomberg calculations based on data from China Real Estate Information Corp. on July 3. Shenzhen had the biggest increase, while Beijing had the biggest decrease. (Bloomberg).

Cu

Copper rose along with most base metals as signs of moderating US inflation eased concerns around the likelihood of more hawkish Federal Reserve interest-rate moves, boosting risk appetite.

Base metals fell about 8% in the first half as global monetary tightening fueled recessionary concerns and China's post-pandemic economic recovery lost steam.

US data on Friday showed inflation is moderating, even if that comes at the expense of growth. The personal consumption expenditures price index, one of the Fed's preferred gauges, rose just 0.1% in May.

Still, figures from China on Monday showed the top metal-consuming economy is still struggling to rebound. The country's manufacturing activity slowed last month as companies turned more cautious about their output outlook. (Bloomberg)

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,296	R1	8,399	RSI above 50	Stochastic overbought
S2	8,267	R2	8,470		
S3	8,226	R3	8,517		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA Resistance band (Black EMA's)
- RSI is above 50 (52)
- Price is above the daily pivot point USD 8,273
- Stochastic is overbought
- Technically bearish on Friday, we looked to be mean reverting back to the EMA resistance band, making USD 8,358 the key resistance to follow. It was still unclear if this is an A, B, C correction, or a 3 wave lower that is part of a larger corrective cycle. Above USD 8,470.5 the technical would be bullish based on Price; however, upside moves that fail at or below USD 8,517 would warn that there was potentially a larger corrective cycle in play. The futures continued to trade higher with price now above the USD 8,358 level and the EMA resistance band, the RSI is now above 50 with price and momentum aligned to the buy side.
- A close on the 4-hour candle below USD 8,273 with the RSI at or below 38.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 8,226 will support a near-term bull argument, below this level the USD 8,141 fractal low will be vulnerable.
- Technically bearish, we now have a neutral bias due to the depth of the pullback, above USD 8,470 the technical will be bullish based on price. However, upside moves that fail at or below USD 8,517 will warn that there is potentially a larger corrective cycle in play.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,156	R1	2,166		RSI below 50
S2	2,146	R2			
S3	2,134	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (45)
- Stochastic is below 50
- Price is above the daily pivot point USD 2,156
- Technically bearish with upside moves considered as countertrend last week. Downside moves below USD 2,142.5 would create a positive divergence with the RSI, not a buy signal it warned that we had the potential to see a momentum slowdown which needed to be monitored. The futures traded lower, meaning price is now in divergence, we remain below all key moving averages supported by the RSI below 50. An upside move into the close and on the Asian open means that price and momentum are aligned to the buyside.
- A close on the 4-hour candle below 2,156 with the RSI at or below 40.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below 2,185 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the futures are now in divergence with the RSI, not a buy signal it is a warning that we have the potential to see a momentum slowdown which will need to be monitored, as it suggests that resistance levels could be vulnerable in the near-term. Upside moves above USD 2,212 will mean that the futures are bullish based on price; however, intraday Elliott wave analysis continues to suggest that upside moves are potentially countertrend, meaning the cycle is considered as bearish below USD 2,239 and neutral above.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,378	R1	2,382.5	RSI above 50	Stochastic overbought
S2	2,324	R2			
S3	2,293	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (51)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,378
- Technically bullish with a neutral bias last week, our Elliott wave analysis continued to suggest that upside moves look to be countertrend. However, we highlighted that we had a triple bottom support forming at USD 2,324, signalling the market was supported. This suggested caution on downside moves until this support was broken with a close that held below it. The futures moved higher but remain below the USD 2,397 level. 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 2,378 with the RSI at or below 54.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,420 will leave the futures vulnerable to further tests to the downside, above this level the USD 2,470 fractal resistance could be tested.
- We remain bullish with a neutral bias, intraday Elliott wave analysis continues to suggest that upside moves should be considered as countertrend at this point; however, like last week we remain cautious on downside moves due to the triple bottom that has formed at USD 2,324. Market bears will need to see a close below that holds below the support zone to signal downside continuation.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	20,473	R1	20,650		RSI below 50
S2	19,951	R2			
S3	19,531	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (47)
- Stochastic is above 50
- Price is above the daily pivot point USD 20,473
- Technically bearish with a neutral bias on Friday, the futures were moving higher on the back of a positive divergence with the RSI, whilst the MA on the RSI was starting to turn upward. We did remain below the EMA resistance band; however, if we traded above USD 20,865 then it would warn that the resistance band could be tested and broken. Downside moves below USD 19,925 would create further divergences with the RSI, suggesting caution on downside breakouts. Resistance levels looked vulnerable. Sideways action in the last session with price still below the EMA resistance band, the RSI remains below 50 with price and momentum aligned to the buyside.
- A close on the 4-hour candle below USD 20,473 with the RSI at or below 39.5 will mean price and momentum are aligned to the sell side. Upside moves above USD 20,865 will mean the intraday technical is bullish.
- Unchanged from last week, the futures are bearish with a neutral bias, we remain cautious on downside moves due to the positive divergence that is in play.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,051	R1	2,100	RSI above 50	Stochastic overbought
S2	2,036	R2	2,114.5		
S3	2,015	R3	2,128		

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is at 50 (50)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,080
- Technically bearish last week, the futures were in divergence with the RSI, it was marginal on the 4-hour technical, but more prominent on the 1-hour. The divergence warned that we could see a momentum slow-down and suggested caution on moves below USD 2,050. The futures didn't trade lower with price moving higher during the session, we are now between the EMA resistance band with RSI neutral at 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 2,080 with the RSI at or below 40.5 will mean price and momentum are aligned to the sell side.
- The upside move means that the futures although bearish now have a neutral bias, above USD 2,114.50 will mean that the futures are bullish based on price. The RSI is neutral with the stochastic in overbought territory, if the RSI moves below and holds below 50, then momentum will warn that we are vulnerable to a test to the downside. Likewise, if the RSI holds above 50 then the overbought stochastic is considered as less relevant. We remain cautious on downside moves due to the futures moving higher on the back of the positive divergence.

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