

## U.S.

Tentative signs of weakness in the US labor market won't be enough to sway the Federal Reserve from additional interest-rate increases, according to Bloomberg Economics.

"The trend pace of hiring is slowing, but remains too swift for the Fed's comfort," Stuart Paul, an economist at Bloomberg, wrote Thursday in a preview of Friday's jobs report.

"Though cracks are emerging under the surface, Fed Chairman Jerome Powell's recent comments indicate he believes the labor market is still too tight," Paul said. (Bloomberg).

## Cu

Copper headed for a third weekly decline as investors largely disregarded China's latest vow to deliver economic stimulus for the top metals-consuming nation.

Industrial metals, including copper and iron ore, have been pressured in recent months from China's tepid post-pandemic recovery. This week there were fresh signs the country's property debt crisis isn't over, while data showed its service industry softened in June. (Bloomberg).

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,285	R1	8,299.5	Stochastic oversold	RSI below 50
S2	8,231	R2			
S3	8,198	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA Resistance band (Black EMA's)
- RSI is below 50 (47)
- Price is above the daily pivot point USD 8,285
- Stochastic is oversold
- We remained bearish with the neutral bias yesterday, the MA had rejected its MA, warning momentum was weakening, making USD 8,231 a key support to follow. We had a dominant intraday bull candle signalling there was support just above the USD 8,231 level, if we closed below the low of this candle (USD 8,249) it would suggest support had faded. However, if we held, market sellers should be cautious, as it would imply that the futures are forming a base and could move higher, as it would mean we had an intraday support zone between USD 8,249 – USD 8,231. The futures traded to a low of USD 8,236 before moving higher. Price is still below the 8-21 period EMA's with the RSI below 50, Intraday price and momentum are now conflicting.
- A close on the 4-hour candle below USD 8,285 with the RSI at or below 44 will mean price and momentum are aligned to the sell side. Likewise, a close above this level with the RSI at or above 48.5 will mean it is aligned to the buyside. Downside moves that hold at or above USD 8,231 will support a near-term bull argument, below this level the USD 8,141 fractal low will be vulnerable.
- We remain technically bearish with a neutral bias. The downside move held the support zone yesterday with price moving higher, suggesting resistance levels could be vulnerable in the near-term. However, to enter bullish territory we need to trade above the USD 8,470 fractal high. Note, upside moves that fail at or below USD 8,517 will warn that there is potentially a larger bearish Elliott wave cycle in play.

# Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,118	R1	2,148	Stochastic oversold	RSI below 50
S2	2,092	R2	2,155		
S3	2,060	R3	2,160		

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (42)
- Stochastic is oversold
- Price is on/below the daily pivot point USD 2,136
- Technically bearish yesterday, we remained on an Elliott wave 3 but were yet to see if it would extend to the downside; however, below USD 2,134 the futures would be in divergence, warning we had the potential to see a momentum slowdown. In either scenario regarding the wave extension, upside moves would be considered as countertrend based on our Elliott wave analysis. The futures moved lower with price trading below the USD 2,134 fractal low. 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 2,136 with the RSI at or above 45.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,160 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 but signal, it is a warning that we have the potential to see a momentum slowdown and will need to be monitored. However, intraday Elliott wave analysis suggests that upside moves are potentially countertrend at this point.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,324	R1	2,420		RSI below 50
S2	2,293	R2	2,438		
S3	2,245	R3	2,470		

## 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 on the daily pivot point USD 2,366
- We maintained a neutral view on the technical yesterday as price had rejected the USD 2,420 resistance, warning support levels are vulnerable; however, we remained above the USD 2,324 support level that has been respected three times. Having initially moved lower the futures reversed early gains resulting in price closing above the opening values. We remain below the EMA resistance band with the RSI below 50, intraday price and momentum are conflicting as the futures are trading on the daily pivot point.
- A close on the 4-hour candle below USD 2,366 with the RSI at or below 46 will mean price and momentum are aligned to the sell side. Likewise, a close above this level with the RSI at or above 50.5 will mean it is aligned to the buyside.
- We maintain a neutral view as price has rejected key resistance with the futures continuing to hold above the support zone, this is supported by a flat EMA band that implies a neutral bias. However, our intraday Elliott wave analysis continues to suggest that upside moves look like they have the potential to be counter-trend.

# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	21,175	R1	21,225	RSI above 50	Stochastic overbought
S2	20,861	R2			
S3	20,682	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (56)
- Stochastic is overbought
- Price is above the daily pivot point USD 21,175
- Technically bullish yesterday, the MA on the RSI implied that momentum was supported, suggesting support level could hold if tested. Key resistance going forward was at USD 22,218, if this level was rejected, it would warn that there was a larger corrective cycle in play. If broken, the USD 23,400 high would become a legitimate upside target. The futures did come under pressure early on but price held at the EMA resistance band, resulting in a small move higher. The RSI remains above 50 with Price and momentum aligned to the buy side.
- A close on the 4-hour candle below USD 21,175 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 20,440 will support a bull argument, below this level the technical will have a neutral bias.
- Unchanged from yesterday, the MA on the RSI remains supported with the technical in bullish territory. As noted previously, Key resistance is at USD 22,218, if this level is rejected, it will warn that there is a larger corrective cycle in play.

# Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,051	R1	2,056.5	Stochastic oversold	RSI below 50
S2	2,036	R2			
S3	2,015	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (45)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,058
- The RSI had rejected its MA previously, resulting in the futures moving lower, warning that the USD 2,050 fractal support was vulnerable. We were a little cautious, as the futures had initially moved higher on the back of a lower timeframe positive divergence, having completed a 3-wave pattern. A new low would suggest we are seeing some form of Elliott wave extension to the downside, meaning there was a larger cycle in play. We were cautious as the move higher on the 30/06 would be an unusually shallow wave B. From a technical perspective we could see momentum and price were weakening; however, with the wave cycle being unclear I took neutral view. The futures have traded to a new low meaning we are now in divergence with the RSI. 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 2,058 with the RSI at or above 46 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 2,083 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, but in divergence with the RSI, not a buy signal it was a warning that we have the potential to see a momentum slowdown and will need to be monitored. The Downside move would suggest that we are seeing some form of Elliott wave extension, this is currently hard to interpret as I think the upside move on the 30/06 looks to be too shallow to be a countertrend wave B. The new low would suggest we are perhaps looking at a 5-wave pattern within the initial wave A, if this is the case, we should not trade below USD 2,036 on this move lower (the wave 3 of the wave A cannot be the shortest wave), meaning upside moves are potentially countertrend. It is not a clear cycle, at this point, we are just cautious on downside moves due to the divergence.

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