

China

Iron ore and nickel led gains among metals after China said it would step up measures to boost its flagging economy in industries including steelmaking and automobile manufacturing.

China's Communist Party and government issued a joint pledge late on Wednesday to improve conditions for private businesses in a signal that Beijing wants to bolster corporate confidence as economic growth wanes.

That followed an announcement from the Ministry of Industry and Information Technology, in which it said it was drafting plans to boost development in 10 key industries, including steel and autos. (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,426	R1	8,474	RSI above 50	
S2	8,394	R2			
S3	8,306	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA support band (Black EMA's)
- RSI is above 50 (50)
- Price is above the daily pivot point USD 8,426
- Stochastic is below 50
- Technically bullish with a neutral bias yesterday, the MA on the RSI suggested momentum was weak whilst the RSI was below 50; however, price was basing on the back of a positive divergence with the RSI, implying caution on intraday moves lower. We had the potential to find intraday bid support due to the divergence, making USD 8,597 resistance the key level to follow, if it held, we could come under further pressure. The futures continued to move lower in the E.U session, on the close report we remained cautious due to price remaining in divergence. The futures moved higher into the U.S close and again in the Asian day session. Price is between the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 8,426 with the RSI at or above 46 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 8,580 will leave the futures vulnerable to further tests to the downside, above this level the USD 8,719.5 fractal resistance could come under pressure.
- Technically bullish with a neutral bias. In theory, the depth of the pullback would suggest that probability of the futures trading to a new high has decreased; however, with China flagging steel and Auto stimulus we have seen sector support, making USD 8,580 the key resistance to follow.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,193	R1	2,205.5	Stochastic oversold	RSI below 50
S2	2,180	R2			
S3	2,164	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (47)
- Stochastic is oversold
- Price is above the daily pivot point USD 2,193
- Technically bullish with a neutral bias yesterday, the MA on the RSI continued to imply that momentum was weak, whilst the deep pullback meant that the probability of the futures trading to a new high will have decreased, price was also below its support band. This would suggest that upside resistance levels should in theory hold if tested. The futures traded lower but have found light bid support this morning, we remain below the support band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,193 with the RSI at or above 51.5 will mean price and momentum are aligned to the buy side. Likewise, a close below this level will mean it is aligned to the sell side. Upside moves that fail at or below USD 2,253 will leave the futures vulnerable to further test to the downside, above this level will warn that the USD 2,292 fractal high could potentially come under pressure.
- We remain bullish with a neutral bias, the MA on the RSI suggests momentum is still weak, but it has started to flatten a little. The depth of the pullback is warning that the probability of the futures trading to a new high has decreased, making USD 2,253 the key resistance to follow. We are seeing the futures trade above the daily pivot point with the opening candle today whilst closing above the high of the recent low candle, warning momentum based on price is turning to the buy side, if the RSI closes above its MA, then we could see resistance levels come under pressure.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,365	R1	2,379	2,376	RSI below 50
S2	2,350	R2	2,391		
S3	2,342	R3	2,400		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (46)
- Stochastic is below 50
- Price is above the daily pivot point USD 2,365
- Technically bullish with a neutral bias yesterday, the upside move had rejected the daily EMA resistance band with the pullback continuing to deepen, the MA on the RSI indicated that momentum remained weak. This would suggest that resistance levels should hold if tested, as the USD 2,345 fractal support was starting to look like it could be tested and broken. The longer-term Elliott wave cycle remained bearish. The futures traded below the USD 2,345 fractal support yesterday meaning the intraday technical is now bearish. Price is below the EMA support band (this could potentially cross today) with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,365 with the RSI at or above 79 will mean price and momentum are aligned to the buy side; likewise, a close below this level will mean it is aligned to the sell side. Upside moves that fail at or below USD 2,391 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the MA on the RSI implies that momentum remains weak, but we have moved higher in the Asian day session, making USD 2,391 the key resistance to follow. Upside moves above USD 2,416 will mean the technical is bullish. The longer-term Elliott wave cycle remains bearish.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	20,998	R1	21,410	RSI above 50	Stochastic overbought
S2	20,804	R2			
S3	20,540	R3			

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (53)
- Stochastic is overbought
- Price is above the daily pivot point USD 20,998
- Technically bearish with a neutral bias yesterday, having moved lower on the back of a 5-wave pattern higher, the futures were approaching trend support (this was at 20,786). A close below that holds below the support line would have bearish implications going forward; market sellers should remain cautious above the trend support. The rising trend line was not at a strong trajectory, implying the trend was weak, the MA on the RSI also suggested momentum was weak. Trend support is vulnerable, but not yet broken. Trend support held yesterday with the futures moving higher on the back of Chinese stimulus in the auto sector. 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 20,998 with the RSI at or below 47.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 22,218 will warn that we potentially have a larger corrective cycle in play.
- The upside move this morning would suggest that the USD 21,775 fractal resistance is starting to look vulnerable, above this level the technical is bull based on price. The RSI is above 50 with its MA implying that momentum is supported.
- The move this morning is not really technically related, if we do close below and hold below the trend support (USD 20,845) then it will have bearish implications going forward.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,091		RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (48)
- Stochastic is above 50
- Price is on the daily pivot point USD 2,091
- Unchanged technically yesterday, we maintained our view that support levels were vulnerable based on the 5-wave pattern higher, whilst the MA on the RSI continues to suggest that momentum was weak. The futures held the USD 2,077 support yesterday resulting in a small move higher; however, we are back trading below today's opening level, warning momentum based on price remains weak. Price is below the EMA support band with the RSI below 50, intraday price and momentum are conflicting, as the RSI is back below its MA.
- A close on the 4-hour candle below USD 2,091 with the RSI below 48 will mean price and momentum are aligned to the sell side; likewise, a close above this level with the RSI at or above 52.5 will mean it is aligned to the buy side. Downside moves that hold at or above USD 2,077 will support a bull argument, below this level the technical will have a neutral bias. Likewise, upside moves that fail at or below USD 2,116 will leave the futures vulnerable to further tests to the downside, above this level the USD 2,131 fractal high could come under pressure.
- We remain technically bullish but are seeing mixed signals today. The futures have held key support but we have rejected upside resistance, the move below the opening level is warning that the USD 2,077 support remains vulnerable. The MA on the RSI is now neutral.

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