

China

China outlined a series of measures to increase car purchases, particularly for new-energy vehicles, as the world's second-biggest economy struggles to escape the shadow of Covid and lift growth.

The National Development and Reform Commission, China's main economic planning body, set out the steps, including lower costs for electric-vehicle charging and extending tax breaks, though it didn't disclose specific figures.

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Carmaker stocks were mixed Friday - out of the top 20 listed companies, half were up and half were down. Jiangling Motors Corp. was the biggest gainer, adding 1.3%.

China's car sales rose 3% to 9.52 million vehicles in the first half of the year compared with the same period in 2022, a slow pace of growth from a low base. Sales of NEVs — EVs and plug-in hybrids — climbed 37% to 3.1 million units, while internal combustion engine car sales slid 8%. (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,487	R1	8,580	RSI above 50	
S2	8,394	R2	8,622		
S3	8,306	R3	8,693		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (52)
- Price is above the daily pivot point USD 8,487
- Stochastic is above 50
- Technically bullish with a neutral bias yesterday. In theory, the depth of the pullback suggested that probability of the futures trading to a new high had decreased; however, with China flagging steel and Auto stimulus we had seen sector support, making USD 8,580 the key resistance to follow. The futures traded to a high of USD 8,581 before corrective back into the EMA support band. We have seen a move higher on the Asian open, meaning price is above the 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 8,487 with the RSI at or below 47 will mean price and momentum are aligned to the sell side.
- Having broken key support and key resistance the technical does have a neutral bias, as both levels have been rejected. In theory, the upside move above USD 8,580 does now favour a bull move; however, the RSI on the MA is flat as is the EMA support band, which indicates a lack of directional bias at this point.
- Slightly more bullish than bearish, we have a neutral view due to the lack of clarity.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,201	R1	2,205	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 (48)
- Stochastic is below 50
- Price is above the daily pivot point USD 2,201
- We remained bullish with a neutral bias yesterday, the MA on the RSI suggested momentum was still weak, but it had started to flatten a little. The depth of the pullback warned that the probability of the futures trading to a new high had decreased, making USD 2,253 the key resistance to follow. We were seeing the futures trade above the daily pivot point with the opening candle closing above the high of the recent low candle, warning momentum based on price was turning to the buyside, if the RSI closed above its MA, then we could see resistance levels come under pressure. The futures traded up to but rejected the USD 2,222 resistance resulting in price selling lower to close on the low of the day; however, we have seen a small move higher in the Asian day session. Price remains below the EMA support band with the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,201 with the RSI at or below 44 will mean price and momentum are 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.
- Technically bullish with a neutral bias, we remain cautious on upside moves based on the depth of the recent pullback. We also note that the daily technical is trading into the base of its EMA resistance band, although recently breached, this remains a natural area of resistance. Downside moves below moves below USD 2,190.5 will warn that the USD 2,180 and USD 2,164 support levels are starting to look vulnerable.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,365	R1	2,394.5	RSI above 50	
S2	2,350	R2			
S3	2,342	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is below 50 (50)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,390
- Technically bearish yesterday, the MA on the RSI implied that momentum remained weak, but we had moved higher in the Asian day session, making USD 2,391 the key resistance to follow. Upside moves above USD 2,416 would mean the technical was bullish. The longer-term Elliott wave cycle remained bearish. The futures traded to a high of USD 2,428, taking price into bullish territory; however, the following candle traded below the USD 2,371 support, meaning we immediately had a neutral bias. Price is above the EMA support band with the RSI neutral at 50, intraday price and momentum are aligned to the buy side due to a small move higher on the Asian open.
- A close on the 4-hour candle below USD 2,390 with the RSI at or below 44.5 will mean price and momentum are aligned to the sell side.
- Technically bullish with a neutral bias, the longer-term Elliott wave cycle remains bearish. Upside moves above USD 2,428 will warn that buy side momentum is increasing, leaving the USD 2,503.5 fractal resistance vulnerable. Likewise, downside moves below USD 2,336 will warn that sell side momentum on the daily technical is increasing, whilst below USD 2,325 will indicate the longer-term fractal low at USD 2,215 could come under pressure. Due to the longer-term wave cycle, we remain cautious on upside moves. The moving averages and momentum indicators have more of a neutral bias.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	21,281	R1	21,305	RSI above 50	Stochastic overbought	
S2	20,804	R2				22,218
S3	20,540	R3				22,656

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (52)
- Stochastic is overbought
- Price is above the daily pivot point USD 21,281
- The move higher yesterday had not been a technical as it had been driven by a commitment to stimulate the Chinese auto and industrial sectors. Technically bearish with a neutral bias the futures did have a small pull-back; however, price held the EMA support band resulting in a move higher this morning. The RSI remains above 50 with price and momentum aligned to the buyside.
- A close on the 4-hour candle below USD 21,281 with the RSI at or below 49 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.
- Bearish with a neutral bias, price continues to hold above the trend support line (USD 20,893). As previously stated, the trajectory of the trend is not strong, a close below that hold below the support line will have bearish implications going forward, Likewise, upside moves above USD 21,775 would suggest that the USD 22,218 resistance could potentially come under pressure.
- We remain cautious on the moves higher, as the trend trajectory is unconvincing, whilst a new high has the potential to create a negative divergence with the RSI. Not a sell signal it does warn that we could see a momentum slowdown and needs to be monitored, suggesting caution on upside breakouts.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,117.5	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 2,106
- We remained technically bullish, but were seeing mixed signals yesterday. The futures had held key support, but had rejected upside resistance, the move below the opening level warned that the USD 2,077 support remained vulnerable. The MA on the RSI was neutral. The futures traded to a low of USD 2,085 before finding bid support, resulting in price trading above the USD 2,117 resistance. Price is 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 2,106 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 2,077 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, we have a little more clarity today due to price trading above the USD 2,117 resistance, suggesting that the USD 2,131 fractal resistance is now vulnerable. Using Fibonacci projection levels, we have a potential upside target at USD 2,141. The MA on the RSI is now starting to turn higher, implying momentum support. If we do see the futures close below and hold below the daily pivot point (USD 2,106), it will warn that the USD 2,077 support could come under pressure.

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