

China

Emerging-market investors avoided making big bets on Monday as they braced for a big data week including inflation reports from the world's two biggest economies.

The MSCI Emerging Markets Index of stocks and its currency counterpart both fell less than 0.1%. Asian assets drifted lower on Friday's US jobs data, before giving way to mixed moves in the emerging Europe, Middle East and Africa region where local news dominated.

Israel stocks rose amid receding political risk after Prime Minister Benjamin Netanyahu said he won't pursue the entire judicial overhaul he had originally planned. Indonesian dollar bonds posted the biggest gains in emerging markets after the nation's economic growth beat forecasts. Greece, where economic reforms are in full swing, was in focus after Scope Ratings raised the nation's debt to investment grade. Romania was set to announce its monetary-policy decision. (Bloomberg).

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Chinese copper inventories are nearing critical levels, according to Goldman Sachs Group Inc., suggesting that supply constraints could become more influential in driving prices given that the bulk of global stockpiles are held in China.

China's stockpiles of refined metal are at a record low in terms of demand cover, accounting for just four days of usage versus an average of eight days last year, the bank said in a note on Monday. Goldman called that position "extreme" and said the sharply lower growth rate in the supply of mined copper could worsen the situation further.

The warning comes after Beijing's pledges to revive economic growth lifted copper prices from their recent lows, although details have yet to emerge of specific policy steps that would decisively benefit metals markets. Copper on the London Metal Exchange fell 0.3% to \$8,550 a ton as of 8:22 a.m. local time. (Bloomberg)

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,483	R1	8,568		RSI below 50
S2	8,436	R2	8,682.5		
S3	8,370	R3	8,724		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (44)
- Price is below the daily pivot point USD 8,568
- Stochastic is below 50
- Back from vacation.
- We were slightly more bullish than bearish on the last report; however, due to the lack of clarity, we had more of a neutral view. The futures traded to a high of USD 8,860 before entering a corrective phase, the technical is now bearish based on the intraday breaking fractal support. Price is below the EMA support band with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 8,568 with the RSI at or above 48.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 8,724 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 have rejected the USD 8,724 resistance, warning that the USD 8,462.5 fractal support is vulnerable. However, we have a note of caution as a new low has the potential to create a positive divergence with the RSI. Not a buy signal, it is a warning that we could see a momentum slowdown on a downside breakout.
- Note: the weekly, daily, and intraday EMA bands are all flat, implying there remains a lack of clarity in the technical at this point.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,229	R1	2,242		
S2	2,204	R2	2,257		RSI below 50
S3	2,193	R3	2,268		

Synopsis - Intraday

Source Bloomberg

- 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 2,229
- Bullish with a neutral bias two weeks ago, we were cautious on upside moves based on the depth of the pullback, as the probability of the futures trading to a new high had decreased. We did move higher with price trading up to USD 2,289, meaning we failed to make a new high by USD 3.00, this also meant that the longer-term resistance band (in grey) has held once again. The downside move last week resulted in the futures testing but failing to break the USD 2,195 fractal support, technically we remain bullish with a neutral bias. Price is above the EMA support band with the RSI above 50, intraday price and momentum are conflicting as the current candle is still open
- A close on the 4-hour candle below USD 2,229 with the RSI at or below 45.5 will mean price and momentum are aligned to the sell side; likewise, a close above the level will mean it is aligned to the buy side. Upside moves that fail at or below USD 2,257 will leave the futures vulnerable to further tests to the downside, above this level the USD 2,289 resistance will be vulnerable.
- Technically we remain bullish with a neutral bias. Price is currently in a range between USD 2,164 and USD 2,292, if the USD 2,195 fractal support is broken then the USD 2,164 level could be tested and broken, at this point the technical is bearish. Momentum and the EMA band are currently neutral.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,467	R1	2,495.5	RSI above 50	
S2	2,435	R2			
S3	2,370	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA support band (Black EMA's)
- RSI is at 50 (50)
- Stochastic is above 50
- Price is below the daily pivot point USD 2,501
- Technically bullish with a neutral bias previously, we noted that upside moves above USD 2,428 would warn that buy-side momentum was increasing, leaving the USD 2,503.5 fractal resistance vulnerable. Likewise, downside moves below USD 2,336 would warn that sell-side momentum on the daily technical was increasing. However, the longer-term Elliott wave cycle remained bearish, leaving us cautious on upside moves, the futures traded to a high of USD 2,584.5 before entering a corrective phase. Price is between the EMA support band with the RSI neutral at 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,501 with the RSI at or above 52 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 2,537 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 2,584.5 fractal resistance. Note: we have recently rejected the USD 2,537 level.
- Technically we remain bullish with a neutral bias. Key resistance on the Elliott wave cycle remains at USD 2,732, for this reason, we remain cautious on upside moves at this point. We should note that on the daily technical the MA on the RSI is implying that momentum is supported; however, the RSI is now testing the MA support, if broken, it could warn that momentum on the higher timeframe is starting to weaken.

Nickel Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	20,932	R1	21,430	21,285	Stochastic oversold	RSI below 50
S2	20,655	R2	21,634			
S3	20,305	R3	22,218			

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (43)
- Stochastic is oversold
- Price is below the daily pivot point USD 21,430
- Bearish with a neutral bias previously, we remained cautious on moved higher as the trend trajectory was unconvincing whilst we had the potential to see a negative divergence on a new high. The futures broke but failed to hold below trend support resulting in price trading to a new high, the initial divergence failed; however, the secondary move to a new high resulted in another divergence and a technical pullback. The futures have made a new low, meaning the intraday technical is bearish, price is below the EMA support band with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 21,430 with the RSI at or above 47.5 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 21,634 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 trading below the trend support with the RSI making new lows, warning that the USD 20,932 and USD 20,655 support levels are vulnerable. Key resistance to follow is at USD 21,634.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,147.5	RSI above 50	
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (51)
- Stochastic is oversold
- Price is above the daily pivot point USD 2,139
- Technically bullish on the last report, we noted that the move above the USD 2,117 level warned the USD 2,131 fractal resistance was vulnerable, if broken, we targeted the USD 2,141 level. The futures continued to move higher with price trading up to the USD 2,181 level before entering a corrective phase. The futures are trading above 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 2,139 with the RSI at or below 47 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,113 will support a bull argument, below this level the technical will have a neutral bias. Note: support is currently holding.
- Technically bullish, the RSI is above 50 with the stochastic in oversold territory. Providing the RSI can hold above 50, momentum is warning that resistance levels are vulnerable. The RSI has recently made a new high, suggesting downside moves look to be countertrend, making USD 2,113 the key support to follow.

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