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The People's Bank of China (the central bank) today, Tuesday, pumped 460 billion yuan (\$64.5 billion) into the banking system through 7-day reverse repurchase operations at an interest rate of 1.8%, after it pumped 319 billion yuan (\$44.7 billion) according to the same mechanism yesterday. .

The central bank says that this step aims to maintain acceptable and abundant cash liquidity in the banking system, according to the New China News Agency (Xinhua).

Reverse repurchases, known as "reverse repo," are operations in which the central bank buys securities from commercial banks through bidding, with the agreement to sell them again in the future.

In the exchange market, the price of the Chinese yuan continued its significant rise against the dollar in Tuesday's trading after its significant jump yesterday.

The indicative rate of the People's Bank of China (Central) today reached 7.12 yuan per dollar, an increase of 152 Chinese pips from its level yesterday, which recorded an increase of 206 Chinese pips.

Chinese rules allow the yuan to rise or fall by 2% above the central bank's guide rate each trading day in the spot foreign exchange market.

It is noteworthy that the indicative price of the yuan against the dollar is determined on the basis of the purchase prices provided by major financial institutions before the start of daily interbank market transactions. (Bloomberg)

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,357	R1	8,417	RSI above 50	Stochastic overbought
S2	8,324	R2			
S3	8,279	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI is above 50 (62)
- Price is below the daily pivot point USD 8,454
- Stochastic is overbought
- Technically bullish yesterday, we had confirmed that the upside move was a new bull cycle rather than a wave extension, meaning we were on a higher timeframe Elliott wave 3. Downside moves were now considered as countertrend, making USD 8,279 the key support to follow, if broken, then the probability of the futures trading to a new high would start to decrease. Near-term upside resistance was at USD 8,485; in theory, in most cases, a wave 3 would usually be the longest wave, suggesting the USD 8,485 resistance should be tested and broken. The MA on the RSI was now moving higher, meaning momentum was supported. The futures traded to a high of USD 8,486 before entering a corrective phase. Price is above all key moving averages supported by the RSI above 50, intraday price and momentum are now aligned to the sell side.
- A close on the 4-hour candle above USD 8,454 with the RSI at or above 67 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 8,279 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the futures have entered a corrective phase with intraday Elliott wave analysis suggesting that the move lower looks to be countertrend, making USD 8,279 the key support to follow. If broken, then the probability of the futures trading to a new high will start to decrease. The RSI is below its MA; however, the average remains in an upward trajectory, implying momentum remains supported at this point.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,234	R1	2,247	RSI above 50	Stochastic overbought
S2	2,227	R2			
S3	2,217	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (53)
- Stochastic is overbought
- Price is below the daily pivot point USD 2,251
- A difficult technical to read yesterday; in theory, the upside move should have been a wave B, or we were missing wave 5 of the wave C on a lower timeframe (occasionally wave do go missing, no matter what the books say). If it was a wave B, then we should reject the USD 2,261 resistance. If we did not, then the probability of the futures trading to a new high would decrease, meaning we probably missed wave 5 of C, suggesting the USD 2,295 fractal high could come under pressure. The MA on the RSI was turning higher, implying momentum was supported, whilst the longer period EMA's (Black) look like they could cross. The technical warned resistance could be broken, countering the wave cycle. Because of this, we are cautious on upside moves, as the wave cycle was still bearish, but there were many conflicts. Focus would be on the USD 2,261 resistance, to see if it held or not. A technical to monitor. Just to make the technical a little more confusing, the futures traded to a high of USD 2,264 before correcting on the Asian open. We remain above the EMA support band (the averages have now crossed to the upside) with the RSI above 50, intraday price and momentum are now conflicting.
- A close on the 4-hour candle below USD 2,251 with the RSI at or below 52 will mean price and momentum are aligned to the sell side; likewise, a close above this level with the RSI at or above 56.5 will mean it is aligned to the buyside. Downside moves that hold at or above USD 2,219 will support a near-term bull argument, below this level we target the USD 2,196 fractal low.
- Due to the breach in the USD 2,261 resistance yesterday, the technical is now neutral with the probability of the futures trading to a new low starting to decrease. The MA on the RSI suggests that momentum is supported, but we are moving lower on a 1-hour divergence, meaning momentum is conflicting. We are neutral due to the breach in resistance and the conflicting momentum.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,511	R1	2,555	Stochastic oversold	RSI below 50
S2	2,489	R2	2,565		
S3	2,462	R3	2,584		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (39)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,555
- We remained bullish with a neutral bias yesterday with the MA on the RSI continuing to imply that momentum was weak, warning that the USD 2,535 support was still vulnerable. The futures have moved lower, meaning the technical is now bearish. 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 2,555 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 2,610 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 continues to imply that momentum is weak whilst the RSI is making new lows. This would suggest that intraday upside moves have the potential to be countertrend in the near-term, making USD 2,610 the key resistance to follow. If broken, then the probability of the futures trading to a new low will start to decrease.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	16,610	R1	16,950		RSI below 50
S2	16,378	R2	17,027		
S3	16,049	R3	17,280		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (35)
- Stochastic is below 50
- Price is below the daily pivot point USD 16,950
- Unchanged on the technical yesterday. We remained bearish with a potential downside target at USD 16,38; however, the futures remained in divergence with the RSI. Not a buy signal, it warned that we could see a momentum slowdown, meaning we maintained a note of caution on downside moves. The futures have seen another small move lower with price remaining below all key moving averages with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 16,950 with the RSI at or above 40 will mean price and momentum are aligned to the buyside. Upside moves that fail at or above USD 17,280 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- We remain bearish with the RSI still in divergence with price, warning the futures are still vulnerable to a momentum slowdown. However, the technical has changed, as the continued downside move means we are seeing wave extension again. This would suggest that upside moves should now be considered as counter-trend, meaning from an Elliott wave cycle perspective, key resistance is back at USD 17,877.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,260	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 (55)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,268
- Unchanged on the technical yesterday, we remained bullish but in a corrective phase with downside moves considered as countertrend. A move below USD 2,232 would be considered as deep into the last bull wave, meaning that the probability of the futures trading to a new high would start to decrease. The futures have seen a small move lower; however, we remain above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,268 with the RSI at or below 64.5 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 2,207 will support a bull argument, below this level the technical will have a neutral bias.
- Technically we remain bullish with our Elliott wave analysis suggesting that downside moves should be considered as countertrend at this point. The MA on the RSI continues to warn that momentum remains weak at this point, implying support levels could still come under pressure. We have revised the Fibonacci support levels lower, as we were running the low from the wrong fractal, sorry about that. Key support is now at USD 2,207, a move below this level will warn that the probability of the futures trading to a new high has started to decrease.

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