

## China

China's consumer prices marked their longest streak of declines since 2009, extending the deflation that may require more government support to reverse. Exports posted their first annual decline in seven years.

The consumer price index slipped 0.3% in December from a year earlier, in line with economists' expectations for a third straight month of declines. Factory-gate costs dropped 2.7% and have been falling for more than a year because of lower commodity prices and weak demand at home and abroad.

Chinese exports, meanwhile, fell 4.6% over all of last year in the first annual drop since 2016 — yet another knock to what has historically been a major pillar of growth for the world's second-largest economy. The December data shows signs of stabilization, rising 2.3% from the same month a year ago. (Bloomberg Markets Live)

## Cu

Copper rose from its lowest close since mid-December, as inflation data from China bolstered calls for stronger stimulus measures from Beijing.

China's consumer prices posted their longest streak of declines in more than a decade. While that underscores weak growth at home, it also boosts the prospect of more action from Beijing to shore up an economy suffering weak confidence.

The central bank in China is likely to cut interest rates and pump more cash into the financial system as early as Monday to counter deflationary pressures, according to a Bloomberg survey of economists.

Copper is still headed for a weekly fall, extending a decline since the start of the year on tempered expectations for lower US interest rates. Consumer prices in the nation accelerated at the end of 2023, data on Thursday showed, prompting one Federal Reserve policymaker to say that March was too early for a cut.

Copper rose 0.6% on the London Metal Exchange to \$8,403 a ton at 12:44 p.m. Shanghai time, and was down 0.7% this week. Aluminum was little changed. (Bloomberg)

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,387	R1	8,473		RSI below 50
S2	8,313	R2	8,520		
S3	8,247	R3	8,582		

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- The RSI is below 50 (47)
- Price is above the daily pivot point USD 8,387
- Stochastic is below 50
- Technically bearish yesterday, the futures were moving higher with the MA on the RSI implying that intraday momentum was finding support. However, the RSI low on the 09/01/24 suggested that the current upside move had the potential to be countertrend, making USD 8,582 the key resistance to follow. If broken, then the probability of the futures trading to a new low would start to decrease. The futures traded to a high of USD 8,460 before pulling back a little of the CPI numbers yesterday; however, we have seen light bid support on the Asian open. We remain below the EMA resistance band, with the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 8,387 with the RSI at or below 41 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 8,582 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- We remain technically bearish with the MA on the RSI continuing to suggest that momentum is supported. However, we maintain our view that upside moves look like they could be countertrend based on the RSI low on the 09/01. Key resistance remains unchanged at USD 8,582.

# Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,229	R1	2,238.5	Stochastic oversold	RSI below 50
S2	2,222	R2			
S3	2,173	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (41)
- Stochastic is oversold
- Price is above the daily pivot point USD 2,229
- Technically bullish with a neutral bias yesterday, as we are yet to breach the USD 2,222 support. The depth of the pullback suggested that the probability of the futures trading to a new high had started to decrease. The RSI had previously found support on its MA with price and momentum aligned to the buy side, implying momentum is starting to strengthen, the lower timeframe divergence would support this. However, the RSI low on the 08/01 does warn that the upside move could be countertrend, making USD 2,339 the key resistance to follow. We are vulnerable to an intraday move higher, but the technical is warning that upside moves could struggle to hold. The futures continue to move sideways with price below the EMA resistance band supported by the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,229 with the RSI at or above 43 will mean price and momentum are aligned to the buy side. Likewise, a close below this level with the RSI at or below 38.5 will mean it is aligned to the sell side. Upside moves that fail at or below USD 2,339 will leave the futures vulnerable to further test to the downside, above this level we have the potential to test the USD 2,398 fractal resistance.
- We remain bullish with a neutral bias. The futures are moving sideways with the MA on the RSI now flat, implying a lack of near-term direction at this point. We maintain our view that upside moves look like they could be countertrend, whilst the depth of the pullback would suggest that the probability of the futures trading to a new high has started to decrease.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,511	R1	2,557	2,530	RSI below 50
S2	2,477	R2	2,580		
S3	2,461	R3	2,610		

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (44)
- Stochastic is below 50
- Price is above the daily pivot point USD 2,511
- Technically bearish yesterday, the futures were finding light bid support on the back of the positive divergence with the RSI, we also noted that the MA on the RSI is starting to turn higher, supporting this. The RSI had made a new low on the USD 08/01 with intraday Elliott wave analysis suggesting that the upside move has the potential to be countertrend, making USD 2,610 the key resistance to follow. A move above this level would warn that the probability of the futures trading to a new low would start to decrease. The futures continue to move sideways below the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,511 with the RSI at or below 41 will mean price and momentum are aligned to the sell side. 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.
- Unchanged on the technical today, we remain bearish with upside moves looking like they could be countertrend. The MA on the RSI is implying that momentum remains supported, meaning we are still vulnerable to a move higher in the near-term.

# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	16,430	R1	16,460	RSI above 50	Stochastic overbought
S2	16,105	R2			
S3	15,895	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is between the EMA resistance band (Black EMA's)
- RSI is above 50 (51)
- Stochastic is overbought
- Price is above the daily pivot point USD 16,430
- We remained bearish yesterday with price moving higher on the back of momentum support. The MA on the RSI continued to suggest that we are supported, meaning resistance levels remained vulnerable. However, the RSI low on the 05/01 warned that upside moves had the potential to be countertrend, making USD 16,871 the key resistance to follow. A move above this level would be deep into the last bear wave, warning that the probability of the futures trading to a new low would start to decrease. As previously noted, we had the daily EMA resistance zone above us, meaning we maintained a cautious view on upside moves. The Upside move on the Asian open failed to see follow through with price trading back into the EMA resistance zone. The RSI is above 50 with price and momentum conflicting as the previous candle closed below the daily pivot level.
- A close on the 4-hour candle below USD 16,430 with the RSI at or below 47.5 will mean price and momentum are aligned to the sell side. Likewise, a close above this level will mean it is aligned to the buy side. Upside moves that fail at or below USD 16,871 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 upside moves looking like they could be countertrend based on the RSI low on the 05/01. The MA on the RSI continues to suggest that momentum is supported, meaning resistance levels are vulnerable; however, price and momentum are conflicting, if it becomes aligned to the sell side, then the USD 16,105 and USD 15,895 levels could come under pressure. Due to the daily resistance band still being above us, we maintain a cautious view on upside moves.

# Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,098	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 (56)
- Stochastic is above 50
- Price is on/below the daily pivot point USD 2,100
- Technically bearish yesterday with intraday Elliott wave analysis continuing to suggest that upside moves should in theory be countertrend, making USD 2,191 the key resistance to follow. A move above this level would be considered as deep into the last bear wave, meaning that the probability of the futures trading to a new low will start to decrease. In the near-term, the MA on the RSI was starting to turn higher whilst the RSI was making new highs, implying we had momentum support, warning resistance levels could be tested. The futures traded up to but have rejected the USD 2,117 resistance; however, we remain above the EMA support band with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,100 with the RSI at or above 59 will mean price and momentum are aligned to the buy side; likewise, a close below this level with the RSI at or below 54.5 will mean it is aligned to the sell side. Upside moves that fail at or below USD 2,191 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- The futures have moved higher in what looks to be a countertrend move. The technical is bearish with price rejecting the base of Fibonacci resistance zone yesterday. However, the MA on the RSI is still implying momentum is supported with price above the EMA support band, meaning resistance levels are still vulnerable. If price and momentum become aligned to the sell side, the futures will look to rest the 60-period EMA (lower band EMA) at USD 2,077 in the near-term.

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