

China

Local governments and banks in China are rolling out funding support for property projects placed on the authorities' "white list", according to a front-page report in the PBOC-run newspaper Financial News Thursday.

As of Feb. 20, banks had granted 29.4b yuan in loans to 162 such projects across 57 cities, including 11.3b yuan offered after the Spring Festival holiday

29 provinces have recommended a total of 5,349 "white-list" property projects to banks

Lenders are issuing loans to these projects based on the projects' progress

The support will help resolve real estate project risks, meet "reasonable" property funding needs and ease industry bottlenecks

NOTE: China banks have approved 123.6b yuan loans for property projects on white list, according to an earlier CCTV report Tuesday (Bloomberg).

Al/Ni

Aluminum and nickel advanced on speculation that a fresh wave of US sanctions against Russia may target metals and disrupt supplies.

US President Joe Biden said the US plans to unveil a "major" sanctions package against Moscow on Friday, although he wasn't specific about which industries would be affected. Traders have been on the lookout for new restrictions on Russian metals, which had escaped broad sanctions until the UK announced its own curbs in December.

The proposed curbs would be designed to "hold Russia responsible" for the death of opposition leader Alexey Navalny, White House spokesperson John Kirby said. (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,559	R1	8,592	RSI above 50	Stochastic overbought
S2	8,528	R2	8,636		
S3	8,505	R3	8,699		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (65)
- Price is above the daily pivot point USD 8,549
- Stochastic is overbought
- Technically bullish yesterday, the futures had traded to a new high with the 4-hour divergence failing, but the 1 - hour futures were still in divergence, warning we could still be vulnerable to a momentum slowdown. We noted that we were at a bit of an inflection point, as we had a 5-wave pattern higher, warning we could be nearing exhaustion point, alongside the 1-hour divergence, this suggests caution on upside moves. However, if we had another strong move to the upside, or stayed elevated at these levels for a prolonged period, it will cause an Elliott wave 3 extension, meaning downside moves would be considered as countertrend. Based on the technical in front of us, we had a cautious view on upside moves, but are mindful to the possibility of a wave extension. The cycle extended. Price is above all key moving averages with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 8,549 with the RSI at or below 62 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. Downside moves that hold at or above USD 8,329 will support a bull argument, below this level the technical will have a neutral bias (note: longer-term support has been moved lower due to the wave extension).
- Technically bullish, the futures have moved higher and stayed elevated, resulting in the Elliott wave cycle extending, meaning downside moves should be considered as countertrend. However, lower timeframe momentum indicators remain in divergence, meaning we are vulnerable to a momentum slowdown which will need to be monitored. With price and momentum now starting to conflict, we are cautious on upside moves at these levels in the near-term.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,208	R1	2,235	RSI above 50	
S2	2,180	R2	2,278		
S3	2,145	R3	2,297		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (49)
- Stochastic is at 50
- Price is below the daily pivot point USD 2,213
- Technically we were bullish yesterday having moved higher to break fractal resistance. We highlighted that on paper, the Elliott wave cycle was still in bearish territory; however, this was based on the psychological footprint of the market (Elliott wave), which was likely to have changed on the 'White House Plans', suggesting wave traders would need to be a lot less rigid. The RSI had also made a new high alongside price, suggesting downside moves had the potential to be countertrend in the near-term, making USD 2,208 the key support to follow. We noted that the move was outside of the technical, meaning we should probably discount the Elliott wave cycle for now, until the market settles down a little. The futures have entered a corrective phase with price mean reverting back the EMA band, the RSI is near neutral at 49 with intraday price and momentum conflicting.
- A close on the 4-hour candle below USD 2,213 with the RSI at or below 45.5 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. Downside moves that hold at or above USD 2,208 will support a near-term bull argument, below the technical will have a neutral bias.
- Technically bullish, having mean reverted back to the EMA band, price is now testing the USD 2,208 support, meaning we are at an inflection point. If we trade below USD 2,208 then the probability of the futures trading to a new high will start to decrease, warning the Elliott wave cycle is possibly still in play. Likewise, the downside move on the open meant that price had moved below the weekly pivot level (USD 2,223), if the intraday futures move higher and close on the daily chart back above this level, it will signal that there is still higher timeframe support in the market. The MA on the RSI is implying that momentum is supported at this point whilst the RSI high yesterday suggest that the downside move is potentially countertrend. With price at such a key level, we have a neutral view until directional bias is clearer.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,398	R1	2,403	RSI above 50	
S2	2,360	R2	2,441		
S3	2,325	R3	2,494		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (55)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,398
- Technically we were still bearish yesterday with upside moves considered as countertrend, making USD 2,494 the key resistance to follow, as a move above this level would warn that the probability of the futures trading to a new low would start to decrease. The futures were now in divergence, as the RSI was not making a new high alongside price, warning we could see a momentum slowdown. We had a note of caution on this technical, as we now had a 5-wave pattern higher warning we could soon exhaust and turn to the downside. The issue is that our intraday Elliott wave analysis suggested that the upside move was countertrend, meaning we would have expected this move to consist of 3-waves (or multiples of 3), not five. This lower timeframe 5-wave pattern higher warned that something could potentially have changed, meaning a move lower may fail to trade below the USD 2,278 fractal low. The futures are holding but moving sideways due to the negative divergence, we are above all key moving averages with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 2,398 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 buy side. Upside moves that fail at or below USD 2,494 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Downside moves that hold at or above USD 2,325 will support a near-term bull argument, below this level the USD 2,278 fractal low will start to look vulnerable.
- Technically bearish, we maintain a cautious view on upside moves due to the negative divergence in play, the MA on the RSI is also flat, warning we are seeing a momentum slowdown. We noted a concern yesterday regarding the 5-wave pattern higher, making USD 2,325 the key support to follow, if broken, it would suggest the longer-term bearish Elliott wave cycle remains in play.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	16,716	R1	16,985	RSI above 50	Stochastic overbought
S2	16,694	R2			
S3	16,599	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (67)
- Stochastic is overbought
- Price is above the daily pivot point USD 16,716
- Technically bullish yesterday, the futures were testing the top of the daily resistance band whilst the RSI is in divergence. Not a sell signal, it warned that we could see a momentum slowdown, which would need to be monitored. For this reason, we maintained a cautious view on upside moves. The futures have seen a strong move higher, resulting in the intraday divergence failing. We are above all key moving averages with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 16,716 with the RSI at or below 56.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or below USD 16,471 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the divergence failure means that the RSI has made a new high, suggesting downside moves have the potential to be countertrend, making USD 16,471 the key support to follow. A move below this level will warn that the probability of the futures trading to a new high will start to decrease. The close yesterday and the upside move this morning means the futures are now above the daily EMA resistance band for the first time since August 2023. If we can hold above this band, it will warn that the longer-term trend could be transitioning to the buyside.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,069	R1	2,082	RSI above 50	Stochastic overbought
S2	2,063	R2			
S3	2,049	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (58)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,069
- We remained bearish yesterday with upside moves considered as countertrend based on our intraday Elliott wave analysis. However, the futures had held above the USD 2,021 support and closed back above the weekly pivot level, meaning resistance levels are vulnerable in the near-term. If we did trade above the USD 2,116 resistance, it would warn that the probability of the futures trading to a new low will start to decrease. The futures continue to move higher with price above the EMA resistance band whilst the RSI is above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,069 with the RSI at or below 49.5 will mean price and momentum are aligned to the sell side. 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 technical will have a neutral bias. Likewise, downside moves that hold at or above USD 2,049 will support a near-term bull argument, if broken the USD 2,031 support will start to look vulnerable.
- Technically bearish, the RSI is making new highs whilst the MA on the RSI is implying that momentum is supported, warning that resistance levels remain vulnerable at this point.

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