

China

China's home prices declined at a slower pace for both new and existing-units in January, the first signs of improvement in 10 months.

New-home prices in 70 cities, excluding state-subsidized housing, dropped 0.37% last month from December, when they retreated 0.45%, National Bureau of Statistics figures showed Friday. The second-hand market also improved, with price declines narrowing to 0.68%. (Bloomberg).

Al/Ni

Nickel traded close to its highest level since November as investors braced for the possibility that fresh US sanctions on Russia — due to be unveiled on Friday — could disrupt metals supplies.

President Joe Biden's administration will sanction more than 500 people and entities linked to Russia's war machine in a fresh bid to squeeze the country's economy. While US officials have not mentioned particular targets, there's speculation that sanctions could hit Russia's nickel, aluminum or copper industries.

Nickel has risen more than 6% this week. Aluminum touched the highest level since the start of February on Wednesday — immediately after Biden announced plans for the sanctions in response to the death of Russian opposition leader Alexey Navalny.

Russia's metals and mining industry had escaped blanket restrictions until December, when the UK, home of the London Metal Exchange, announced its own curbs. But some consumers and traders have balked at buying Russian metal, and the UK's steps added to the growing complexity of handling material from the country.

Still, nickel prices are only rising from near three-year lows earlier this month, driven by a global glut that BHP Group Ltd. Chief Executive Officer Mike Henry said will last for years.

Oversupply remains "the major premise" in the nickel market, Jinrui Futures Co. said in a note. So, while nickel has strong upward momentum in the near term, "we think the rebound will be short-lived", it said.

Nickel climbed as much as 1.2% to \$17,600 a ton before trading at \$17,400 by 11:31 a.m. Shanghai time. Aluminum was up 0.3% and copper was flat. (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,447	R1	8,574.5	RSI above 50	Stochastic overbought
S2	8,398	R2			
S3	8,331	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (63)
- Price is below the daily pivot point USD 8,583
- Stochastic is overbought
- Technically bullish yesterday, we noted that the futures had moved higher and stayed elevated, resulting in the Elliott wave cycle extending, meaning downside moves were considered as countertrend. However, lower timeframe momentum indicators remained in divergence, meaning we were vulnerable to a momentum slowdown which needed to be monitored. With price and momentum starting to conflict, we were cautious on upside moves at these levels in the near-term. The futures traded just above the USD 8,604.5 high (USD 8,608) before seeing a small move lower on the Asian open. We are above all key moving averages with the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 8,583 with the RSI at or above 69.5 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 8,331 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the futures remain in divergence on the lower timeframe with price and momentum now aligned to the sell side, intraday Elliott wave analysis continues to suggest that downside moves could be countertrend. Due to the divergence, we remain cautious on upside moves at these levels, making USD 8,331 the key support to follow. A move below this level will warn that the probability of the futures trading to a new low has started to decrease.

Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,205	RSI above 50	Stochastic oversold
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (46)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,207
- Technically bullish yesterday, having mean reverted to the EMA band, price was testing the USD 2,208 support, meaning we were at an inflection point. If we traded below USD 2,208 then the probability of the futures trading to a new high would start to decrease, warning the Elliott wave cycle was 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 moved higher and closed on the daily chart back above this level, it would signal that there was still higher timeframe support in the market. The MA on the RSI implied that momentum was supported whilst the RSI high previously suggested that the downside move was potentially counter-trend. With price at such a key level, we had a neutral view until directional bias was clearer. The futures traded below the USD 2,208 level and closed below the weekly pivot point. We are 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 below USD 2,207 with the RSI at or below 53 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,241 will leave the futures vulnerable to further tests to the downside, above this level will warn that the USD 2,269 fractal resistance could be tested and broken.
- Technically bullish but with a neutral bias, the probability of the futures trading to a new high has started to decrease. The downside move is suggesting that the bearish Elliott wave cycle is back in play. However, If we do close above the USD 2,207 daily pivot then we could see an intraday move higher looking to test the weekly pivot at USD 2,223.

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 bearish yesterday, we maintained a cautious view on upside moves due to the negative divergence in play, the MA on the RSI was also flat, warning we were seeing a momentum slowdown. We noted a concern previously regarding the 5-wave pattern higher, making USD 2,325 the key support to follow, if broken, it would suggest that the longer-term bearish Elliott wave cycle remains in play. Unchanged on the technical, we are trading within USD 1.00 of yesterday's report with the same pivot and RSI, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 2,398 with the RSI at or below 52.5 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. 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.
- Unchanged.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	17,210	R1	17,440	RSI above 50	Stochastic overbought	
S2	17,064	R2				17,694
S3	16,899	R3				17,977

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (75)
- Stochastic is overbought
- Price is above the daily pivot point USD 17,210
- Technically bullish yesterday, the divergence failure meant that the RSI had made a new high, suggesting downside moves had the potential to be countertrend, making USD 16,471 the key support to follow. A move below this level would warn that the probability of the futures trading to a new high would start to decrease. The close previously and the upside move yesterday morning meant the futures were now above the daily EMA resistance band for the first time since August 2023. If we could hold above this band, it would warn that the longer-term trend could be transitioning to the buyside. The futures continue to move higher with price above all moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 17,210 with the RSI at or below 65 will mean price and momentum are aligned to the sell side. Downside moves that hold at or below USD 16,675 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the futures have had a strong move above the EMA resistance band with the intraday RSI making new highs, suggesting downside moves look like they will be countertrend at this point. The MA on the RSI is also implying that momentum is supported, making USD 16,675 the key level to follow, if broken the probability of the futures trading to a new high will start to decrease.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,084	R1	2,088.5	RSI above 50	Stochastic overbought
S2	2,068	R2			
S3	2,051	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 2,084
- Technically bearish yesterday, the RSI was making new highs whilst the MA on the RSI implied that momentum was supported, warning that resistance levels remained vulnerable. We moved sideways for most of the session yesterday before seeing a small move higher into the close. Price is 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 2,084 with the RSI at or below 54 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 2,051 will support a near-term bull argument, if broken the USD 2,031 support will start to look vulnerable.
- Technically bearish with the longer-term Elliott wave analysis suggesting that upside moves look to be countertrend at this point. The MA on the RSI continues to suggest that momentum is supported; however, upside moves above USD 2,091.5 will create a negative divergence with the RSI on the 1-hour chart. Not a sell signal, it is a warning that we have the potential to see a momentum slowdown, suggesting caution above this level.

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