

China

The total of new home sales in China's four first-tier cities reached 319,865 square meters of floor space last week, according to Bloomberg calculations based on data from China Real Estate Information Corp. on March 18. Shanghai had the biggest increase, while Shenzhen had the smallest increase. (Bloomberg).

Cu

Copper retreated from an 11-month high on a strengthening dollar and signs that its sharp rally may be deterring some buyers.

A gauge of the dollar rose, making commodities priced in the US currency more expensive for many investors. The industrial metal's 14-day relative strength index has also been trading above 70 since last week, a sign that it may have been overbought.

Copper faces the risk of a pullback as consumption has been notably constrained by the recent jump in prices, with Chinese inventories expanding more than expected, Guangzhou Futures Ltd. said in a note.(Bloomberg)

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,909	R1	9,097	RSI above 50	Stochastic overbought
S2	8,882	R2	9,148		
S3	8,795	R3	9,205		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (65)
- Price is below the daily pivot point USD 9,097
- Unchanged on the Technical yesterday, we remained bullish with downside moves considered as counter-trend based on our Elliott wave analysis. The futures remained in divergence with the RSI on a lower timeframe, 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 at these levels. The futures traded to a high of USD 9,165.5 but remained in divergence, resulting in a move lower in the Asian day session. 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 9,097 with the RSI at or above 74.5 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 8,677 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish but moving lower on the back of the negative divergence, our intraday Elliott wave analysis continues to suggest that downside moves look like they could be countertrend at this point. The pull-back is not yet deep enough to confirm that it is the corrective wave 4 of this phase of the cycle, implying we still need to see further movement to the downside. If we do close on the daily candle below the weekly pivot level (USD 8,909), then we could see the Fibonacci support zone come under pressure.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,267	R1	2,260.5		
S2	2,257	R2			
S3	2,224	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 2,277
- Technically bullish yesterday, the futures were in divergence with the RSI, warning we had the potential to see a momentum slowdown which would need to be monitored. Downside moves below USD 2,244.5 would mean the intraday technical was bearish; however, a corrective move lower that held at or above USD 2,221 would imply that there is potentially a larger bull cycle in play. Due to the divergence, the technical suggested caution on upside moves at these levels. The futures spiked to a high of USD 2,294 but the move failed to hold, resulting in price entering a corrective phase. We are trading in the EMA support band with the RSI neutral at 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,277 with the RSI at or above 58 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 2,212 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the new high yesterday means we have potentially seen an Elliott wave extension here, meaning downside moves look like they could be countertrend, making USD 2,212 the key support to follow. If broken, then the probability of the futures trading to a new high will start to decrease. We are corrective and trading below the weekly pivot level (USD 2,263), a close below it on the daily candle will warn that the USD 2,224.5 fractal support could be tested and broken. Note, due to the wave extension (this means that a five wave pattern has formed on a lower timeframe) we remain in a higher timeframe wave 3, as the higher timeframe wave 4 is yet to be confirmed.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,505	R1	2,506.5	Stochastic oversold	RSI below 50
S2	2,479	R2			
S3	2,445	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is above 50 (43)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,542
- We remained bearish with a neutral bias yesterday; the MA on the RSI warned that momentum was weak. A close on the daily candle below the weekly pivot level (USD 2,556) would imply that sell side momentum was increasing, meaning Fibonacci support could come under pressure. However, we maintained our view that there looks to be a larger bullish Elliott wave cycle in play, meaning downside moves have the potential to be countertrend. The futures moved lower and closed below the USD 2,556 level, meaning the Fibonacci support zone is now coming under pressure. We are 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 2,542 with the RSI at or above 56.5 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 2,445 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the futures have now entered what looks to be a higher timeframe Elliott wave 4, meaning the move lower should in theory be countertrend, making USD 2,445 the key support to follow. If broken, then the probability of the futures trading to a new high will start to decrease. The MA on the RSI is implying that momentum remains weak, whilst the RSI is making new lows, suggesting upside moves could fail to hold in the near-term.

Nickel Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	17,720	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (41)
- Stochastic is oversold
- Price is below the daily pivot point USD 17,915
- Technically bullish yesterday; however, the pullback had resulted in our higher timeframe oscillator crossing below 50, warning that support levels were starting to look vulnerable. This also brought into question the near-term bull cycle, suggesting caution on upside moves. We noted that we had downside moves as looking like they could be countertrend, but this may no longer have been the case. If we did hold above the USD 17,019 level, it would warn that there was possibly a larger bull cycle in play. However, the MA on the RSI warned of momentum weakness, the RSI was below 50 whilst price was below the weekly pivot level (USD 18,123). If we closed on the daily chart below the weekly pivot level, it would imply that sell side momentum was increasing. The futures moved lower and closed below the USD 18,123 level, resulting in price coming under pressure on the European open. We are 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 17,915 with the RSI at or above 50.5 will mean price and momentum are aligned to the buy side. Downside moves that hold at or below USD 17,019 will support a bull argument, below this level the technical will have a neutral bias.
- Technically we are bullish but in a corrective phase; however, as noted yesterday, the oscillator cross on the higher timeframe is warning that support levels are vulnerable. The MA on the RSI is implying that momentum remains weak, whilst the futures have closed below the weekly pivot level. The technical condition is weakening with the RSI making new lows, warning upside resistance levels could hold if tested. Key support to follow is at USD 17,019, if we hold above this level, it will warn that there is potentially a larger bull cycle in play.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,101	R1	2,084	Stochastic oversold	RSI below 50
S2	2,078	R2			
S3	2,061	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (40)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,102
- Technically bearish with a neutral bias yesterday, the MA on the RSI warned that momentum remained weak, whilst the RSI had moved below 50. The intraday move lower meant that we were below the weekly pivot level (USD 2,134), a close on the daily chart below this level would imply that sell side pressure was increasing, meaning support levels could come under pressure. As noted previously, if our Elliott wave analysis was correct, then the current move lower looked like it could be countertrend, making USD 2,078 the key support to follow. If broken, it would mean that the technical was back in bearish territory, suggesting caution on upside moves. The futures continued to move lower on the weak momentum indicators resulting in price closing below the weekly pivot level. 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 above USD 2,102 with the RSI at or above 52 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 2,078 will support a near-term bull argument, below this level the USD 2,031 fractal support will start to look vulnerable. Likewise, upside moves that fail at or below USD 2,141 will leave the futures vulnerable to further tests to the downside.
- We remain bearish with a neutral bias with the futures continuing to move lower. The MA on the RSI is warning that momentum remains weak, whilst the RSI is making new lows, suggesting resistance levels could hold if tested in the near-term. The technical is now at an inflection point, as we are approaching the USD 2,078 support, if broken, then the futures will be back in bearish territory. This would suggest that the probability of the futures trading to a new high would start to decrease, warning that our interpretation on the Elliott wave cycle is either incorrect, or it has failed.

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