

China

China will fail to meet its growth target unless Beijing injects more stimulus to prop up the country's stuttering recovery, but a reliance on iron ore exports from Australia will limit the effect that weakness has on the local economy.

That is the view of a panel of 30 economists surveyed by The Australian Financial Review, who forecast the world's second-largest economy and Australia's largest trading partner will grow between 4.2 per cent and 4.8 per cent this year.

The range is below the 5 per cent target detailed by Chinese officials this year and despite early signs massive stimulus was beginning to revive economic growth. China's growth has been disappointing since the end of the COVID-19 pandemic as the economy struggled to restart after a broad shutdown during the health crisis. (Bloomberg)

Cu

Copper traded near a 15-month high as supply tightens and global manufacturing picks up.

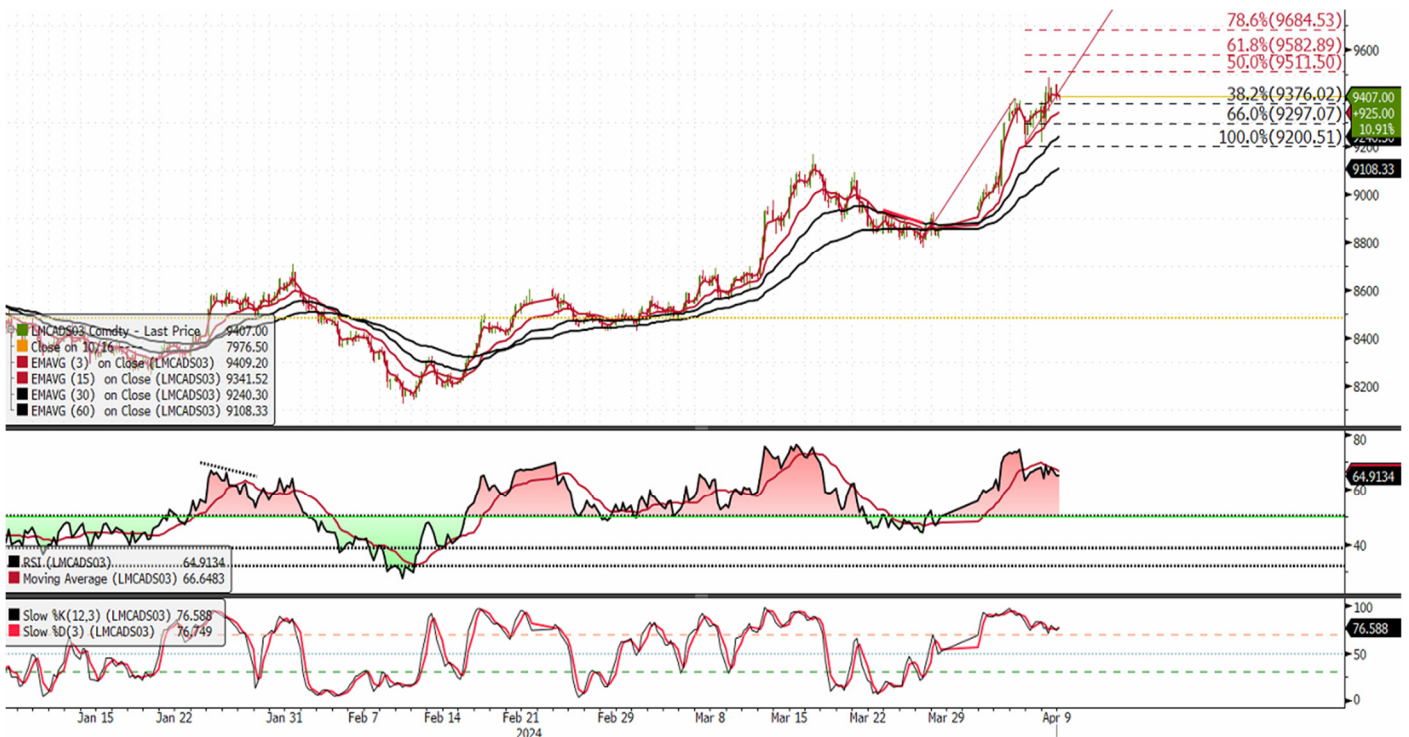
Prices have risen almost 10% this year as disruptions at major mines threaten refined metal production at the Chinese plants that account for more than half the world's supply. The Federal Reserve's expected pivot this year to easier monetary policy is also brightening the outlook for the global economy. (Bloomberg)

Zn

Zinc smelters are the latest casualty of overcapacity in Chinese metals markets.

The companies that refine the metal, used to galvanize steel, are grappling with the same collapse in profits that's afflicting the copper industry. China is by far the biggest processor of both and similar conditions apply: too much capacity is coinciding with not enough ore, forcing smelters to drop their fees as they compete for less work. The implication is that production will suffer this year if firms are to protect their margins (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,376	R1	9,407	RSI above 50	Stochastic overbought
S2	9,297	R2			
S3	9,200	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (64)
- Stochastic is overbought
- Price is above the daily pivot point USD 9,370
- Technically bullish yesterday with our intraday Elliott wave analysis continuing to suggest that downside moves look like they could be countertrend. Upside moves that traded above USD 9,397.5 would have a potential upside target at USD 9,593; however, a new high would create a negative divergence with the RSI, warning we could see a momentum slowdown. For this reason, we had a note of caution on upside breakouts. The futures traded to a high of USD 9,485.5 before seeing a small pullback. We remain above all key moving averages with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 9,370 with the RSI at or above 69 will mean price and momentum are aligned to the buy side; likewise, a close below this level will mean it is aligned to the sell side. Downside moves that hold at or above USD 9,297 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the new high means that the futures are now in divergence with the RSI, whilst the RSI is below its average. Not a sell signal, it is a warning that the futures have the potential to see a momentum slowdown which will need to be monitored. With price and momentum also conflicting, it would suggest that the futures are not considered a 'technical' buy at these levels.

Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,454	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (66)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,452
- Technically bullish yesterday, the new high on the open meant that the futures were in divergence with the RSI, not a sell signal, it warned that we could see a momentum slowdown which needed to be monitored. However, there did look to be a larger bullish Elliott wave cycle in play that warned downside moves still looked like they could be countertrend, making USD 2,340 the key support to follow. If broken, then the probability of the futures trading to a new high would start to decrease. A cautious bull at this point due to the divergence that is in play. The futures did see another small move higher; however, we are flat to yesterday's price. 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 above USD 2,452 with the RSI at or above 71.5 will mean price and momentum are aligned to the buy side; likewise, a close below this level will mean it is aligned to the sell side. Downside moves that hold at or above USD 2,341 will support a bull argument, below this level the technical will have a neutral bias.
- Unchanged on the technical today, the futures remain in divergence whilst price and momentum are conflicting, suggesting caution on upside moves at these levels. As noted yesterday, there does look to be a larger bullish Elliott wave cycle in play that suggests downside moves look like they could be countertrend, making USD 2,341 the key support to follow. If broken, then the probability of the futures trading to a new high will start to decrease.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,633	R1	2,687	RSI above 50	Stochastic overbought
S2	2,603	R2	2,715		
S3	2,567	R3	2,756		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (63)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,634
- Unchanged on the technical yesterday, price was moving lower on the divergence in what looks to be a countertrend move based on a lower timeframe Elliott wave cycle, making USD 2,490 the key support to follow. If broken, then the probability of the futures trading to a new high would start to decrease, warning that the wave cycle could fail. A close below the weekly pivot level on the daily chart (USD 2,578), would imply sell side pressure is increasing, warning support levels could come under pressure. The futures traded to a low of USD 2,567 before trading back to new highs. 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 above USD 2,634 with the RSI at or above 67 will mean price and momentum are aligned to the buy side; likewise, a close below this level will mean it is aligned to the sell side. Downside moves that hold at or above USD 2,603 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the new highs means that we remain in divergence on the 4-hour and lower timeframe. Not a sell signal it is a warning that we have the potential to see a momentum slowdown, suggesting caution on upside moves at this point. A move below USD 2,603 will warn that the probability of the futures trading to a new high has started to decrease; however, corrective moves lower that hold at or above USD 2,502 will imply that we have potentially a larger bullish Elliott wave cycle in play, warning we could see a wave extension to the upside. The MA on the RSI is now flat with the RSI below its average, supporting the divergence warnings that we could see momentum slow.

Nickel Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	17,700	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (57)
- Stochastic is overbought
- Price is below the daily pivot point USD 17,734
- The intraday technical was bullish based on price yesterday; however, the Elliott wave cycle continued to suggest that upside moves look like they could be a countertrend wave B, implying caution on upside moves at this point. If we did trade above the USD 17,896 resistance, it would warn that the probability of the futures trading to a new low will start to decrease. The futures have breached the USD 17,896 resistance, meaning the probability of the futures trading to a new low has started to decrease. We are 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 17,734 with the RSI at or above 63 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 17,012 will support a near-term bull argument, below this level will warn that the USD 16,535 fractal low could come under pressure.
- Technically bullish but with a neutral bias, the probability of the futures trading to a new low has started to decrease. However, the 1-hour RSI is in divergence, warning that we have the potential to see a momentum slowdown, implying caution on upside moves. Due to the conflicting technical, we have a neutral bias, as we had the upside moves as being potentially countertrend.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,090	R1	2,133	RSI above 50	Stochastic overbought
S2	2,072	R2			
S3	2,047	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (59)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,129
- Unchanged on the technical yesterday, we remained bearish with a neutral bias. Price was moving lower on the back of a negative divergence; however, we were seeing intraday bid support having held above the weekly pivot level (USD 2,192). If we closed on the daily candle below this level, it would warn that sell side momentum was increasing, meaning we could see the USD 2,046 level come under pressure. This was a key support, if it held, it would warn that there was potentially a larger bull cycle coming into play; if broken, then the USD 2,105 – USD 2,095 fractal support zone could come under pressure. The futures held above and closed above the weekly pivot level, resulting in price trading to a new high. We are above all key moving averages with the RSI above 50, intraday price and momentum are aligned to the sell side, as the previous candle closed below the daily pivot level.
- A close on the 4-hour candle above USD 2,129 with the RSI at or above 64 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 2,047 will support a near-term bull argument, below this level the USD 2,008 – USD 1,995 fractal support zone will be vulnerable.
- We remain bearish with a neutral bias, meaning that the probability of the futures trading to a new low has started to decrease. We are in divergence with the RSI on the 4-hour and 1-hour RSIs, warning that we could see a momentum slowdown, implying caution on upside moves at this point. Like yesterday, corrective moves lower that hold at or above the USD 2,047 level will warn that there is potentially a larger, bullish Elliott wave cycle coming into play.

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