

Cu

Copper made a fresh push toward five digits as BHP Group Ltd.'s blockbuster offer to buy Anglo American Plc lent support to bulls who say the metal is headed for long-term shortages and high prices.

The world's biggest miner has proposed a \$39 billion takeover of Anglo, chiefly targeting its smaller rival's South American copper mines. The size and timing of the bid — with copper up 16% this year — is a stark sign of how resources giants are trying to muscle in on a commodity that's crucial to green industries.

"A lack of new mined copper resources is a major obstacle for the energy transition and mining companies are facing growing resistance to building new mines, forcing them to merge to achieve growth," Yongcheng Zhao, principal copper analyst at Benchmark Minerals Intelligence, wrote in an emailed note.

Copper has surged in April amid optimism about a recovery in global manufacturing, and despite signs of softness in the physical market, especially in China. Investment from hedge funds taking a longer-term view on prices will help to sustain gains, according to Citigroup Inc. analysts.

Goldman Sachs Group Inc. reiterated a forecast that prices will hit an all-time high of \$12,000 over the next 12 months, while BlackRock Inc. fund manager Olivia Markham said in an interview Wednesday that miners will be reluctant to push the button on new projects if prices remain below that level. (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	9,864	R1	9,946.5	RSI above 50	Stochastic overbought	
S2	9,733	R2				10,083
S3	9,729	R3				10,224

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (62)
- Stochastic is overbought
- Price is below the daily pivot point USD 9,864
- Technically bullish yesterday with our intraday Elliott wave analysis suggesting that downside moves looked like they could be countertrend. The futures had closed above the weekly pivot level, implying buyside pressure was increasing; however, the MA was rejecting its RSI, warning that momentum remained weak. We noted that if price and momentum became aligned to the buyside, and we traded above the USD 9,865 resistance, then the USD 9,988 fractal high will become vulnerable. Until it did, we maintained a cautious view on near-term upside moves, as momentum was warning that the technical remained vulnerable. The futures traded higher, price and momentum became aligned to the buyside, with price moving above the USD 9,865 resistance. 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 9,864 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 above USD 9,542 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI has turned higher, meaning momentum is supporting the upside move, suggesting the USD 9,988 fractal high could be tested and broken. If it is, it will confirm that we are in a bullish impulse Elliott wave 5, meaning we have the potential to trade as high as USD 10,365 within this phase of the cycle. However, the new high will create a negative divergence with the RSI. Not a sell signal it is a warning that we have the potential to see a momentum slowdown, which will need to be monitored.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,502	R1	2,581	Stochastic oversold	RSI below 50
S2	2,429	R2	2,635		
S3	2,372	R3	2,642		

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA support band (Black EMA's)
- RSI is below 50 (46)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,581
- We remained bullish but in a corrective phase yesterday with the futures testing the low from the 23/4, we had confirmed that the futures were in the corrective wave 4. The upside move previously had rejected the weekly pivot level (USD 2,635); however, we noted that below USD 2,562 the futures would be in divergence with the RSI on the 1-hour chart. Not a buy signal, it warned that we could soon see a momentum slow-down, implying caution on downside below this level. The futures have traded to a low of USD 2,555 but remain between 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 2,581 with the RSI at or above 52 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 2,429 will support a bull argument, below this level the technical will have a neutral bias. Likewise, upside moves that fail at or below USD 2,646 will leave the futures vulnerable to further tests to the downside, above this level, the USD 2,688 fractal resistance could be tested.
- We remain bullish but in a corrective Elliott wave 4. The new low means that the 1-hour futures are in divergence with the RSI, not a buy signal, it is a warning that we could see a momentum slowdown, which will need to be monitored. The MA on the RSI is implying that momentum is still weak; however, the RSI is starting to flatten, indicating that we are seeing early signs that sell side momentum is slowing down. Key support is at USD 2,429, below this level the probability of the futures trading to a new high will start to decrease. We are now cautious on downside moves due to the divergence in play.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,843	R1	2,897	RSI above 50	Stochastic overbought
S2	2,818	R2	2,951		
S3	2,804	R3	3,008		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (60)
- Stochastic is overbought
- Price is below the daily pivot point USD 2,843
- Unchanged on the technical yesterday, the futures remained below the weekly pivot level (USD 2,818) with the MA on the RSI continuing to warn that momentum was still weak. The breach in the Fibonacci support previously (USD 2,763), continued to suggest that there could be further downside within this technical. As previously highlighted, if we did close back above the weekly pivot level (USD 2,818), it would warn that there is underlying support in the market. The futures failed to trade lower despite the breach in the USD 2,763 support, resulting price trading above and closing above the weekly pivot level, signalling buyside support in the market. We are moving higher in the Asian day session with the futures above the EMA support 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 2,843 with the RSI at or below 53 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,804 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI is indicating that momentum is supported with price now testing the USD 2,897 fractal resistance. If broken, we have a potential upside target at USD 3,008 for this phase of the cycle. However, a new high will create a negative divergence with the RSI, not a sell signal, it is a warning that we have the potential to see a momentum slowdown which will need to be monitored.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	19,028	R1	19,175	RSI above 50	
S2	18,843	R2			
S3	18,685	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (57)
- Stochastic is above 50
- Price is above the daily pivot point USD 19,208
- Technically bullish but in a corrective phase yesterday, momentum continued to conflict, as the MA on the RSI warned of weakness, whilst the RSI was above 50 with the stochastic in oversold territory. The pullback had confirmed that we were in a corrective Elliott wave 4. We had a note of caution on downside moves, as we had a 3-wave corrective pattern lower with price trading on the 50% Fibonacci retracement level (USD 18,685). Although it was not a buy signal, it was a bullish pattern set-up that needed to be monitored. The futures held support resulting in a small move higher. We are above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 19,208 with the RSI at or below 53.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 18,336 will support a bull argument, below this level the technical will have a neutral bias. Likewise, upside moves that fail at or below USD 19,412 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 19,775 fractal high.
- Technically bullish, having found support on the 50% Fibonacci retracement yesterday the futures have seen a small move higher. The MA on the RSI is flat, implying sell side momentum is slowing; however, we remain below the USD 19,412 resistance. If broken, it will warn that the USD 19,775 fractal high could come under pressure. The bullish set-up highlighted yesterday is signalling underlying support in the market, with the futures continuing to close above the weekly pivot level (USD 18,843). We now need to see price above the USD 19,412 level, if rejected, it will warn that the corrective phase could become more complex.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,205	R1	2,219.5	RSI above 50	Stochastic overbought
S2	2,190	R2			
S3	2,135	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (60)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,205
- Technically bullish yesterday, the futures closed above the weekly pivot level previously (USD 2,190), implying buy-side pressure was increasing. The MA on the RSI was flat, indicating that momentum was neutral. Upside moves above the USD 2,222 fractal high would create a negative divergence with the RSI, not a sell signal it warned that we could see a momentum slowdown, implying caution on upside breakouts. We maintained a neutral view on this technical and remained cautious on upside moves, as the intraday Elliott wave cycle continued to look like it had completed. We noted that time is now going to be a factor here, if we remained elevated for long enough, we could see an Elliott wave extension. The futures have traded to a high of USD 2,221.5, meaning we are yet to make a new high. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buy-side.
- A close on the 4-hour candle below USD 2,205 with the RSI at or below 55 will mean price and momentum are aligned to the sell side.
- Technically bullish, it looks highly likely that the futures are going to make a new high, as the fractal resistance is in the process of being tested. The MA on the RSI is implying that momentum remains supported; however, a new high will create a negative divergence with the RSI. Not a sell signal, it is a warning that momentum could slow, suggesting caution on upside breakouts. My lower timeframe oscillators have not confirmed a wave extension, if we trade to a new high, one has to assume that it is. This will mean that we have the potential to trade as high as USD 2,259 within the next upward wave. We are bullish, but I maintain a cautious view on upside moves.

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