

China

Higher-tier cities in China have larger economies and more affluent populations, which alongside recent government support measures, support more resilient property demand than lower-tier cities, Moody's said in a statement

Demand has been shifting away from the primary market to the secondary market amid homebuyer concerns over on-time completion and delivery of projects from privately owned developers

"Forecast national new home sales in China will decrease to RMB8.5 trillion-RMB9 trillion in value as weaker economic prospects and concerns over project completion and delivery continue to weigh on homebuyer sentiment," Moody's Vice President Kelly Chen said

"Do not expect recent policies aiming to stimulate demand to fuel a notable rebound in the near term"

Among higher-tier cities, new home sales in the eastern region will outperform because of stronger economic fundamentals

New home sales of most lower-tier cities will continue to decline significantly amid the market downturn

Moody's believes recent government policies have incentivized homeowners to take advantage of looser restrictions to offload property investments

Some homeowners could benefit from policy support to purchase secondhand properties with better locations and lower prices

Still, more support would be needed to clear inventory amid weak sales (Bloomberg)

Cu

Copper touched its highest level since 2022 after a powerful rally fueled by forecasts of a growing global supply deficit.

The commodity's gain since the start of January is approaching 20% with prices defying typical indicators of soft demand, especially in China. That's partly because investors see tight mine supply creating a shortfall of the metal as soon as this year.

"Investors are pricing beyond near-term cyclical uncertainty and weakness in physical demand indicators," Citigroup Inc. analysts said in an emailed note Monday. The bank sees copper climbing to \$10,500 a ton in the near term amid a "looming tightening" of supply.

The metal was traded at \$10,205 a ton by 12:38 p.m. Shanghai time Tuesday, after rising as much as 0.5% to a two-year high of \$10,239. Prices surged 1.8% Monday as commodities markets got a boost from China's plan to roll out special long-maturity bonds that could fund infrastructure spending. (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	10,124	R1	10,369	RSI above 50	Stochastic overbought
S2	10,078	R2	10,571		
S3	10,029	R3	10,828		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (65)
- Stochastic is overbought
- Price is above the daily pivot point USD 10,124
- The futures remained bullish with price continuing to trade within the symmetrical triangle yesterday. The MA on the RSI was moving higher implying that we were seeing light momentum support. A close above that held above the USD 10,064 level, would warn that the USD 10,208 fractal resistance could be tested and broken. If it was, the RSI would be divergent, not a sell signal it warned that we could see a momentum slowdown. This also signalled an Elliott wave extension within the existing trend, meaning we had a potential upside target at USD 10,348 (revised higher to USD 10,369). Downside moves were still considered as countertrend, a close on the daily candle below the weekly pivot level (USD 9,992) would warn that sell side pressure was increasing, meaning trend support at USD 10,031 could come under pressure. A close below that held below this level would suggest we could be entering the higher timeframe corrective Elliott wave 4. Price action is neutral whilst in the triangle.
- The futures broke the symmetrical triangle to the upside, resulting in the futures trading to new high on the open. 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 10,124 with the RSI at or below 59.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or below USD 9,962 will support a near-term bull argument, below this level the technical will have a neutral bias (based on price). However, the longer term Elliott wave support is at USD 9,289, the cycle is bullish above this level and neutral below.
- Technically bullish, the MA on the RSI is indicating that momentum is supported. The RSI is divergent dating back to the 19/04/24; however, the upside move on the 13/05 has broken resistance, meaning downside moves should be considered as countertrend in the near-term. The upside move to a new high means we are seeing an Elliott wave extension within the existing cycle, implying downside should also be considered as countertrend on the longer-term wave cycle. This means that if the USD 9,962 support is broken, the futures will have a neutral bias based on price, but the longer-term wave cycle will still be bullish. Elliott wave time cycle (for this phase) that started on the 09/02/24 is now on a 709 minute candle.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,537	R1	2,545		RSI below 50
S2	2,510	R2			
S3	2,440	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (48)
- Stochastic is below 50
- Price is above the daily pivot point USD 2,537
- Technically bullish but in a corrective phase yesterday, the MA on the RSI was flat, implying momentum was neutral. Having rejected the trend resistance (USD 2,578) and traded to a new low, the futures were now in divergence with the RSI. Not a buy signal, it warned that we had the potential to see a momentum slow-down, implying caution on downside moves whilst the divergence was in play. A close above that held above trend resistance would warn that the USD 2,631 level could be tested and broken, if it was, then the probability of the futures trading to a new low would start to decrease. We maintained our view based on Elliott wave analysis that downside moves looked like they could be countertrend; however, below USD 2,440 the pullback would be considered as deep, warning that the bullish wave cycle has a higher probability of failing.
- The futures traded to a low of USD 2,508 before finding light bid support. We remain below the EMA resistance band with the RSI below 50, intraday price and momentum are now aligned to the buyside.
- A close on the 4-hour candle below USD 2,531 with the RSI at or below 45 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,440 will support a bull argument, below this level the technical will have a neutral bias. Upside moves that fail at or below USD 2,626 will leave the futures vulnerable to further tests to the downside, above this level the USD 2,688 fractal resistance could be tested.
- Technically bullish but in a corrective phase with downside moves looking like they could be countertrend, the futures are finding light bid support on the back of the positive divergence with the RSI, below USD 2,508 will create further divergences. For this reason we maintain a cautious view on corrective moves lower.

Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,990	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 (58)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,969
- Unchanged on the technical yesterday, the MA on the RSI indicated that we are seeing light momentum support, warning the USD 2,975 fractal high remained vulnerable. However, as previously noted, we maintained a cautious view on upside breakouts based on our Elliott wave analysis and further divergences, as the move could struggle to hold.
- The futures have traded to a high of USD 3,009, we remain above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 2,996 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 2,843 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 remains supported at this point. However, the new high means that the futures are now in divergence with the RSI, not a buy signal, it is a warning that we could see a momentum slowdown which needs to be monitored. A cautious bull due to the divergence that is in play.

Nickel Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	19,250	RSI above 50	Stochastic overbought
19,078	19,505			
S2	R2			
18,520	19,775			
S3	R3			
17,336	19,811			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (55)
- Stochastic is overbought
- Price is above the daily pivot point USD 19,078
- Unchanged on the technical yesterday, the MA on the RSI implied momentum had light bid support; however, the EMA band was flat indicating a lack of directional bias. Intraday Elliott wave analysis continued to suggest that downside moves looked like they could be countertrend, making USD 18,336 the key support to follow. If broken, then the probability of the futures trading to a new high would start to decrease.
- The futures have seen a small move higher with price now above the EMA support band, the RSI is above 50, whilst price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 19,078 with the RSI at or below 50 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.
- Technically bullish, the futures are moving higher with the MA on the RSI indicating that momentum is supported at this point. Upside moves above USD 19,505 will warn that the USD 19,775 fractal high could be tested and broken. Likewise, a close on the daily candle below the weekly pivot level (USD 19,050) will imply that sell side pressure is increasing. We maintain our view based on intraday Elliott wave analysis that downside moves look like they could be countertrend at this point.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,241	R1	2,247	RSI above 50	Stochastic overbought
S2	2,225	R2			
S3	2,201	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (58)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,241
- Technically bullish yesterday, the futures were holding above the EMA support band with price trading above the weekly pivot level (USD 2,228), a close above this level would warn that the USD 2,254 high could be tested and broken. However, as previously noted, we maintained a cautious view on upside breakouts, as price would be divergent with the RSI, warning an upside move could struggle to hold.
- The futures closed above the weekly pivot level with price trading to a new high. We are above all key 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 2,241 with the RSI at or below 54 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,201 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI indicates that we have light momentum support at this point. The new high means we now have three divergences in play with the RSI, and one with the stochastic. Not a buy signal, the divergences are warning we could see a momentum slowdown. The futures may move higher from here, but from a technical perspective, we are very cautious on upside moves at these levels.

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