

## China

China's foreign trade volume reached a new high in the first half of this year, showing strong resilience and a steady upward momentum despite the challenging external environment.

China's strong manufacturing capabilities, along with its burgeoning consumer market, technological advancements and favorable trade policies, have been providing its trade partners with vast opportunities and boosting the global economic recovery.

Observing a shift towards tech-intensive and green exports, as well as increased trade cooperation with emerging markets, overseas experts have expressed their confidence in the prospects of China's foreign trade.

### SOUND MOMENTUM

China's trade volume expanded 6.1 percent year on year to about 2.97 trillion U.S. dollars in the January-June period, with exports rising 6.9 percent and imports climbing 5.2 percent, according to the country's General Administration of Customs (GAC). (Bloomberg).

## Cu

Copper headed for a third weekly decline despite stimulus efforts by Chinese authorities, with investors searching for signs demand may recover.

The industrial metal edged lower on Friday after falling below the \$9,000-a-ton threshold for the first time since early April on Thursday amid a selloff in global stock markets and rising pessimism about the outlook for demand in China and elsewhere. Copper is now down by almost a fifth from a record high in May.

It's headed for a drop of around 2% this week, less than the almost 6% decline in the previous week, as Beijing stepped up monetary-easing efforts to revive the economy earlier. The central bank announced two unexpected rate cuts after a lack of stimulus from a major Communist Party meeting disappointed investors.

"We are not overly bearish on copper from here, instead copper may stabilize and rebound," Guosen Securities Co. said on Wechat. It cited tightening concentrate and scrap-feedstock supplies, falling Chinese inventories and monetary easing from Beijing.

Copper fell 0.4% to \$9,088.50 a ton on the London Metal Exchange as of 3:25 a.m. in the city. Aluminum rose 0.2%, while zinc fell 0.6%. (Bloomberg)

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,053	R1	9,113	RSI below 50	
S2	8,900	R2			
S3	8,780	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- The RSI below 50 (38)
- Stochastic above 50
- Price is above the daily pivot point USD 9,053
- Technically bearish yesterday, the MA on the RSI was starting to move lower again. The EMA's continued to remain well spaced, implying that the downside trend was stable, whilst intraday Elliott wave analysis is indicating that upside moves should be considered as countertrend. We were trading below the daily 200-period MA (USD 8,984), a close below that held below the average would further support a seller's argument; however, we had the weekly 200-period MA at USD 8,825 that would need to be monitored. If we closed above the high of the last dominant bear candle on the daily chart (USD 9,194.5), it would warn that buy-side pressure was increasing. The intraday 1-hour RSI was in divergence and needed to be monitored (it had been in divergence for around USD 400). Focus should be on the daily and weekly 200-period MAs to see where the futures closed in relation to the averages.
- We traded to a low of USD 8,900; however, the move failed to hold, resulting in the futures closing the day at USD 9,122, putting price back above the 200-period MA (USD 8,990). We are below all key moving averages with the RSI below 50, intraday price and momentum are aligned to the buy-side.
- A close on the 4-hour candle below USD 9,053 with the RSI at or below 28 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 9,572 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, we have now entered the lower timeframe Elliott wave 4, meaning the current upside move looks to be countertrend, making USD 9,572 the key resistance to follow. A move above this level will warn that the probability of the futures trading to a new low will have started to decrease. The MA on the RSI is implying that momentum is supported (in the near-term); if we see an intraday pullback the holds above USD 8,991, it will suggest that there is further upside within the countertrend move. Having seen a strong rejection of the higher timeframe MA's yesterday, we are now finding light resistance at the intraday consolidation are from the 23rd-24th, meaning we could see intraday traders looking to see if the USD 8,991 support will hold.

# Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,285	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Source Bloomberg

## Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (30)
- Stochastic is oversold
- Price is above the daily pivot point USD 2,282
- Technically bearish yesterday, the MA on the RSI was flat, implying near-term momentum was neutral. The futures remained in divergence on the 1-and-2-hour timeframes; not a buy signal, it warned that we could see a momentum slowdown which needed to be monitored. However, intraday Elliott wave analysis indicated that upside moves should be considered as countertrend. A close above the high of the last dominant bear candle on the daily chart (USD 2,327) would warn the buyside pressure was increasing (based on price), meaning the Fibonacci resistance zone could come under pressure. If we did trade above USD 2,419, then the probability of the futures trading to a new low would start to decrease.
- Having seen a very small test to the downside, the futures are now back trading back at yesterday's levels. We remain below all key moving averages supported by the RSI below 50, intraday price and momentum are now conflicting, as the previous candle closed below the daily pivot level.
- A close on the 4-hour candle below USD 2,282 with the RSI at or below 23.5 will mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is aligned to the buyside. Upside moves that fail at or below USD 2,413 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the MA on the RSI is implying that momentum is showing light bid support at this point. Our intraday Elliott wave analysis is implying upside moves should be considered as countertrend in the near-term, whilst the futures have found light bid support on the open, due to the positive divergence in play. We remain cautious on downside moves at these levels, as the technical is suggesting that the futures are now vulnerable to an intraday move higher.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,672	R1	2,774	2,680	RSI below 50
S2	2,615	R2	2,817		
S3	2,565	R3	2,877		

**Synopsis - Intraday**

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (35)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,672
- Technically bearish yesterday, the futures were at an inflection point as price was testing the daily 200-period MA, implying caution on downside moves. However, intraday Elliott wave analysis continued to suggest that upside moves should be considered as countertrend, making USD 2,877 the key resistance to follow.
- The futures held the daily 200-period MA, resulting in a small move higher. We remain below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,672 with the RSI at or below 29 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,877 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish with upside moves considered as countertrend, we have entered the corrective Elliott wave 4. The MA on the RSI is warning that we have light momentum support, making USD 2,877 the key resistance to follow. A move above this level will mean that the probability of the futures trading to a new low will start to decrease. An intraday Doji in the Asian day session is warning of indecision on the Market. If we close above its high on the 4-hour candle (USD 2,704), it will warn that the Fibonacci resistance could come under pressure in the near-term. Likewise, a close below it (USD 2,668) would suggest the USD 2,632.5 fractal low could be tested and broken.

# Nickel Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	15,900		RSI below 50
S2	R2			
S3	R3			

**Synopsis - Intraday**

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (36)
- Stochastic is above 50
- Price is above the daily pivot point USD 15,798
- Technically bearish yesterday, the MA on the RSI was implying that momentum was weak. Intraday Elliott wave analysis suggested that upside moves should be considered as countertrend. A close on the 4-hour candle above USD 15,845 will warn that buy-side pressure is increasing, whilst a close above the high of the last dominant bear candle on the daily chart (USD 16,115) would warn that the Fibonacci resistance zone could come under pressure in the near-term. We maintain our view that we have the potential to test the USD 15,260 support (in the longer-term).
- The futures have seen a small move higher with the close above USD 15,845 warning that intraday buy-side pressure is increasing. We are below all key moving averages with the RSI below 50, intraday price and momentum are aligned to the buy-side.
- A close on the 4-hour candle below USD 15,798 with the RSI at or below 28.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 16,923 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the MA on the RSI is implying that momentum is supported at this point. Our intraday Elliott wave analysis continues to suggest that upside moves look to be countertrend; at this point, the move higher is not deep enough to confirm that it is the upside wave that we are looking for, implying there should in theory be further upside within this corrective move. We remain cautious on downside moves until we have confirmed that the move higher is an Elliott wave 4.

# Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,028	R1	2,037.5	Stochastic oversold	RSI below 50
S2	1,966	R2			
S3	1,913	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (32)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,040
- Technically bearish yesterday, the futures were rejecting our USD 2,028 projection level/support, meaning we have the potential to move higher. A close above the high of the last dominant bear candle on the daily chart (USD 2,072) would warn that the Fibonacci resistance zone could come under pressure. However, intraday Elliott wave analysis implied that upside moves should be considered as countertrend, making USD 2,158 the key resistance to follow. If broken, then the probability of the futures trading to a new low would start to decrease.
- The futures are consolidating above the USD 2,128 support. We remain below all key moving averages with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 2,040 with the RSI at or below 27 will mean price and momentum are aligned to the sell side. Likewise, a close below this level will mean it is aligned to the buyside. Upside moves that fail at or below USD 2,157 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Unchanged on the technical today. We remain bearish with intraday Elliott wave analysis suggesting that upside moves look like they will be countertrend, making USD 2,157 the key resistance to follow. A move above this level will warn that the probability of the futures trading to a new low start to decrease. Like yesterday, we remain cautious on downside moves at these levels.

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