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Copper and other metals edged higher on the back of optimism over Chinese stimulus and more US rate cuts.

Base metals and iron ore have rallied since Chinese authorities surprised investors with a major economic rescue package early last week. Beijing became the latest major city to ease curbs on home buying, part of the government's renewed push to try and rejuvenate the slumping property market, a pillar of metals demand.

In the US, Federal Reserve Chair Jerome Powell said Monday the central bank will continue to loosen monetary policy if the economy progresses as expected, while emphasizing it's not in a hurry to do so quickly.

Copper rose 0.4% to \$9,868 a ton on the London Metal Exchange as of 11:24 a.m. in Singapore. Aluminum climbed 0.3% and zinc was up 0.6%. Steelmaking ingredient iron ore dipped 0.3% to \$109.45 a ton on the Singapore exchange following a spectacular 7.6% jump on Monday.

Chinese markets are closed through next Monday for public holidays. (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,693	R1	9,945	RSI above 50	
S2	9,549	R2	10,040		
S3	9,354	R3	10,158		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (55)
- Stochastic is oversold
- Price is below the daily pivot point USD 9,945
- Technically bullish yesterday, the upside move on the open had failed to hold due to the negative divergence with the RSI. Our Elliott wave analysis suggested that downside moves should be considered as countertrend, making USD 9,354 the key support to follow, below this level the probability of the futures trading to a new high will start to decrease. Due to the divergence, the futures were not considered a technical buy yesterday morning, as price was vulnerable to an intraday pullback.
- The futures have entered a corrective phase with price testing but holding above the EMA support band. The RSI is above 50 with price and momentum aligned to the sell side.
- A close on the 4-hour candle above USD 9,945 with the RSI at or above 67 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 9,354 will support a bull argument, below this level the technical will have a neutral bias. Likewise, upside moves that fail at or below USD 10,040 will leave the futures vulnerable to further tests to the downside.
- Technically bullish, the futures are now in a corrective phase. Momentum is conflicting, as the MA on the RSI implies that it is weak; however, the RSI is above 50 whilst the stochastic is oversold, warning we could move higher. With the RSI breaking support, the technical is suggesting that upside moves could struggle to hold in the near-term, making USD 10,040 the key resistance to follow. If broken, then the probability of the futures trading to a new low will start to decrease. The momentum confliction is warning of a 3-wave corrective pattern.

Aluminium Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,620	RSI above 50	
S2	R2			
S3	R3			

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (58)
- Stochastic is below 50
- Price is above the daily pivot point USD 2,614
- Unchanged on the technical yesterday. We remained bullish with the longer-term divergence in still in play (red line on chart). We noted that the upside move previously resulted in the RSI breaching the high on the 24/09, suggesting very near-term intraday downside moves should be considered as countertrend. The lower timeframe extension continued to warn that we could see a higher timeframe extension. Although bullish, we were still a little overextended to the upside, in theory we need to move lower to go higher, making USD 2,565 the key support to follow. If broken, then the probability of the futures trading to a new high would start to decrease.
- The futures sold lower, but price is now moving higher having found support in the Fibonacci support zone. 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 2,614 with the RSI at or above 66 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 2,565 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the futures have now entered a corrective phase. However, a lower timeframe Elliott wave cycle continues to warn that we have the potential for one more test to the upside, making USD 2,565 the key support to follow. If broken, then the probability of the futures trading to a new high will start to decrease. Note, it is looking less likely that we will see a higher timeframe wave cycle within this phase of the cycle, suggesting caution on upside breakouts above USD 2,659.

Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	3,092	R1	3,132	
S2	3,016	R2	3,212	
S3	2,981	R3	3,246	
		3,116	RSI above 50	

Source Bloomberg

Synopsis - Intraday

- 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 3,092
- Technically bullish yesterday, the RSI was in divergence with price, implying caution on upside moves in the near-term, as they could struggle to hold. Intraday Elliott wave analysis continued to suggest that downside moves look like they could be countertrend, making USD 2,934 the key support to follow. A move below this level would warn that the probability of the futures trading to a new high has started to decrease.
- Sideways action yesterday, the futures are finding light bid support this morning. We are above all key moving averages supported by the RSI above 50, intraday price and momentum continue to conflict.
- A close on the 4-hour candle above USD 3,092 with the RSI at or above 67.5 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 2,934 will support a bull argument, below this level the technical will have a neutral bias.
- Unchanged on the technical this morning, we remain cautious on upside breakouts above USD 3,130, as the futures are already in divergence with the RSI, warning we are vulnerable to a momentum slowdown. Our intraday Elliott wave analysis continues to suggest that downside moves look to be countertrend, making USD 2,934 the key support to follow. If broken, then the probability of the futures trading to a new high will start to decrease. A cautious bull, as upside breakouts could struggle to hold.

Nickel Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	17,620	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 (81)
- Stochastic is overbought
- Price is above the daily pivot point USD 17,345
- Technically bullish yesterday. The MA on the RSI implied we had light momentum support again, whilst the divergence failure suggested that downside moves had the potential to be countertrend, making USD 16,280 the key support to follow. A move below this level would warn that the probability of the futures trading to a new high had started to decrease. Faster moving momentum indicators continued to suggest that we were overextended to the upside, warning we were vulnerable to an intraday pullback.
- The futures continued to move higher with price producing bull candles that made a higher highs and higher lows throughout the session. 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 17,345 with the RSI at or below 70 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 16,452 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the futures are in a bullish trending environment with fast moving oscillator overextended. A close below the low of the last dominant bull candle (USD 17,345, also the daily pivot level), will warn that the futures could be entering a corrective phase. However, as noted previously, downside moves are considered as countertrend at this point.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,111	R1	2,119	RSI above 50	
S2	2,103	R2			
S3	2,089	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (56)
- Stochastic is below 50
- Price is above the daily pivot point USD 2,111
- Technically bullish yesterday, the futures were holding above the USD 2,089 support, warning we could have one more test to the upside within this phase of the cycle. However, as noted previously, there was a larger bullish wave cycle in play, meaning we maintain our view that downside moves should be considered as countertrend.
- The futures had another test to the downside but held key support, resulting in a small move higher on the open. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,111 with the RSI at or above 61.5 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 2,089 will support a bull argument, below this level the technical will have a neutral bias.
- Unchanged on the technical today, we remain bullish with price holding above key support, warning we could have one more test to the upside in the near-term. Intraday Elliott wave analysis continues to suggest that downside moves should be considered as countertrend.

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