

China

(Bloomberg) -- China will promote the role of consumption in the economy and move away from its sole focus on investment, according to the central bank governor, ushering in a shift in the growth model that's come to define the country over the past two decades.

"The priority of macroeconomic policy should shift from promoting more investment in the past, to promoting both consumption and investment, with more importance attached to consumption," Pan Gongsheng said in a speech at the Asian Financial Forum in Hong Kong.

Pan made the comments Monday during an unexpected appearance at the event just as the People's Bank of China issued a statement outlining new measures to defend the yuan, acting after the currency dropped close to a record low a week before Donald Trump reclaims the White House.

China will look to increase residents' income, step up subsidy support for consumers and improve social security to boost consumption, Pan said, expanding on an argument he began to make public last fall.

The governor cited "insufficient domestic demand, especially consumption demand," and "low price levels" among top domestic challenges for the world's second-largest economy.

While China likely met its official growth target of around 5% for 2024, worries are mounting over the outlook for this year and beyond. Higher US tariffs threatened by Trump would diminish support from strong exports to the economy at a time when China is in the grip of persistent deflation, a reflection of depressed domestic demand and sluggish consumer and business confidence.

At an annual policy meeting last month, top officials already pledged to make boosting consumption a top priority this year for only the second time in at least a decade.

Cu

(Bloomberg) -- Copper edged higher as Chinese exports beat estimates and Beijing pledged to boost domestic consumption.

Exports of goods rose 10.7% to a record \$336 billion in December from a year earlier, the customs administration said Monday. Shipments were boosted by Chinese companies rushing to get product out the door to before a potential trade war when President-elect Donald Trump returns to the White House, and to make up for sluggish local demand.

China's imports of unwrought copper and copper products rose to the the highest in three years last month. Exports of unwrought aluminum and products slipped after Beijing removed years-long tax rebates to tackle overcapacity.

China's Ministry of Commerce's weekend vowed over the weekend to "vigorously" boost consumption and stabilize foreign trade and investment this year, also helping to improve sentiment. Copper has shown signs of recovery this year after falling more than 10% last quarter. The metal has also been rising in London after the price gap with futures on New York's Comex widened, with traders reacting to Trump's tariff threats.

Copper may rise this year as macroeconomic conditions improve in both the US and China, and due to risks that the supply of refined metal may be disrupted, said Ji Xianfei, an analyst at Guotai Junan Futures Co.

Copper rose 0.3% to \$9,114.50 a ton on the London Metal Exchange as of 7:59 a.m. local time. Zinc advanced 0.3%, extending its recovery from a four-month low, add aluminum was up 0.1%.

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,095	R1	9,112.50	RSI above 50	
S2	8,996	R2			
S3	8,888	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- The RSI above 50 (60)
- Stochastic is above 50
- Price is above the daily pivot point USD 9,095
- Technically bullish on Friday, the futures had tested but remained below the USD 9,124 resistance; however, it was coming under pressure. If broken, then the probability of there being a larger bearish Elliott wave cycle in play would start to decrease. The 1-hour RSI remained in divergence with price, warning we could still see a momentum slowdown in the near-term. However, it was Friday, and the futures are trading above the 200-period weekly MA (USD 9,011), if we closed above and held above the MA, it would support a longer-term buyer's argument.
- The futures traded to a high of USD 9,145 before seeing a small move lower into the close. 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 9,095 with the RSI at or above 62.5 will mean price and momentum are aligned to the buyside. Likewise, a close below this level with the RSI at or below 58 will mean it is aligned to the sell side. Downside moves that hold at or above USD 8,888 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the probability of there being a larger, bearish Elliott wave cycle in play has started to decrease, whilst the close above the weekly 200-period EMA (USD 9,011) does support a longer-term buyer's argument. However, the futures have moved lower on a 1-hour divergence with the RSI, whilst above USD 9,145 will create a second negative divergence. Not a sell signal, it is a warning that buyside momentum could slow, leaving the futures vulnerable to an intraday move lower.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,568	R1	2,571.5	RSI above 50	Stochastic overbought
S2	2,555	R2			
S3	2,543	R3			

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (60)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,568
- Technically bearish with a neutral bias on Friday, the probability of the futures trading to a new low had started to decrease. The MA on the RSI continued to suggest that momentum was supported, whilst the 5-wave pattern lower followed by the futures breaking key resistance suggested caution on downside moves, as they could fail to hold.
- The futures have traded above fractal resistance, meaning the technical is now bullish. 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 2,568 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 2,526 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. A move above USD 2,596 has the potential to create a negative with the RSI, not a sell signal, it a warning that we could see a momentum slowdown, which needs to be monitored. Lower timeframe Elliott wave analysis is suggesting that downside moves look like they could be countertrend in the near-term, making USD 2,526 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	R1	2,867		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 (45)
- Stochastic is above 50
- Price is below the daily pivot point USD 2,874
- Technically bearish on Friday, the MA on the RSI indicated that we had light momentum support. Elliott wave analysis suggested that the upside moves should in theory be countertrend; however, we needed to see further upside to confirm that this was the corrective wave 4 that we were looking for, as the lower timeframe oscillators were yet to cross.
- The futures have seen another small move higher, confirming we have entered a countertrend Elliott wave 4. We are below EMA resistance band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 2,874 with the RSI at or below 38.5 will mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is aligned to the buy side. Upside moves that fail at or below USD 2,974 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 indicating that momentum is supported. However, our Elliott wave analysis is suggesting that upside moves should be considered as countertrend, making USD 2,974 the key resistance to follow. If broken, then the probability of the futures trading to a new low will start to decrease. We maintain a note of caution on moves higher at this point.

Nickel Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	15,680	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is support the EMA support band (Black EMA's)
- RSI is above 50 (62)
- Stochastic is overbought
- Price is above the daily pivot point USD 15,596
- Unchanged on the technical on Friday. We remained bearish with a neutral bias, the probability of the futures trading to a new low had started to decrease. The MA on the RSI continued to imply that momentum was supported, meaning resistance levels were vulnerable; above USD 15,680 the intraday technical would be bullish. However, faster moving oscillators warned that near-term price action is starting to look overbought, whilst the 1-hour RSI is divergence, leaving the futures vulnerable to an intraday pullback. We noted that the initial 5-wave pattern lower, followed by a move higher on a positive divergence, suggested that downside moves now look like they could be countertrend.
- The futures have continued to move higher, with the intraday technical now bullish. We are 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 15,596 with the RSI at or below 55 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 15,180 will support a bull argument; if broken, then the technical will have a neutral bias.
- Technically bullish, the MA on the RSI is implying that momentum is supported at this point. The 1-hour divergence has failed; however, faster moving oscillators remain overbought, meaning we remain vulnerable to an intraday pullback. Key support is at USD 15,180; corrective moves that hold at or above this level will warn that there is further upside within cycle, if broken, then the probability of the futures trading to a new high will start to decrease. We have a note of caution on upside moves at these levels, as the futures are trading on the 200-period MA (USD 15,693).

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bull
S1	1,951	R1	1,960	Stochastic overbought	RSI above 50
S2	1,940	R2			
S3	1,9,31	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (51)
- Stochastic is overbought
- Price is below the daily point USD 1,964
- Technically bearish with a neutral bias on Friday, the probability of the futures trading to a new low had started to decrease. We had not expected the USD 1,920 fractal low to be broken; however, the upside move on the divergence suggested that the USD 1,975 fractal high was vulnerable. If broken, then the technical will be back in bullish territory.
- The futures traded above the USD 1,975 resistance before entering into a corrective phase, meaning the intraday technical is now bullish. We are above the EMA resistance band with the RSI near-neutral at 51, intraday price and momentum are aligned to the buyside, as the previous candle closed above the daily pivot level.
- A close on the 4-hour candle below USD 1,964 with the RSI at or below 48.5 will mean price and momentum are aligned to sell side. Downside moves that hold at or above USD 1,940 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, this phase of the corrective Elliott wave cycle looks to have completed, meaning we are now cautious on moves lower.

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