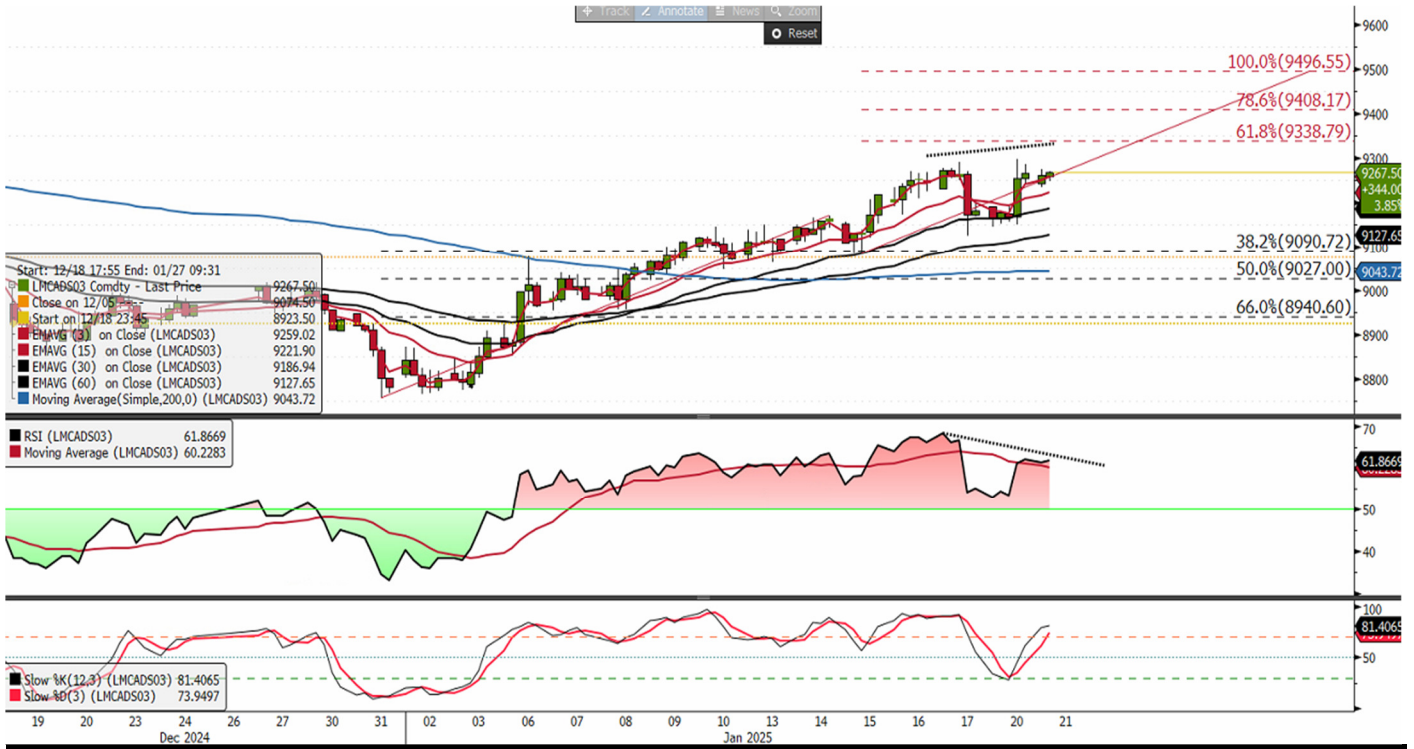


Metals

- (Bloomberg) -- Base metals declined after US President Donald Trump said he would likely enact tariffs on Mexico and Canada by Feb. 1, hurting market sentiment even as he held off from imposing levies on China.
- On his first day back in power, Trump said that he may put import tariffs as high as 25% on goods from the two neighboring nations. That pushed up a gauge of the dollar, which had fallen sharply on Monday, making metals more expensive for most buyers.
- The prospect of renewed global trade conflict — along with China's shaky economy — weighed on metals in recent months, with copper down 11% last quarter. Trump's initial cautious tack on China provides some relief, but leaves traders guessing how his policies toward Beijing will shape up.
- "Tariffs on China are still like a sword hanging over the head, even if there are none on the first day," Jia Zheng, head of trading at Shanghai Soochow Jiuying Investment Management Co., said by phone.
- Traders are also cautious as China approaches its major Lunar New Year holiday, and with a Federal Reserve policy meeting also on next week's diary, Jia said.
- Calling Beijing
- The newly installed US president has ordered staff to investigate whether Beijing had complied with a trade deal signed during his first term, according to a copy of a documents seen by Bloomberg News. Trump said he would be having "meetings and calls" with Chinese President Xi Jinping.
- On the London Metal Exchange, lead traded more than 1% lower, while aluminum — which closed Monday at its highest in more than two months — fell 0.8% to \$2,670 a ton by 3:15 p.m. Shanghai time. Zinc dropped 0.6%
- Iron ore, used in steelmaking and much more closely tied to demand in China, rallied. Futures rose as much as 1.5% to \$105.35, the highest since Dec. 17.

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,238	R1	9,338	RSI above 50	Stochastic overbought
S2	9,090	R2	9,408		
S3	9,027	R3	9,496		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (62)
- Stochastic is overbought
- Price is above the daily pivot point USD 9,238
- Technically bullish with a neutral bias yesterday, the probability of the futures trading to a new high within this phase of the cycle had started to decrease. The MA on the RSI implied we had light momentum weakness, whilst the break in RSI support suggested there could be further downside within this corrective phase. Key support to follow was at USD 8,938, downside moves that held above this level would support a longer-term bull argument. The futures remained above the weekly 200-period MA (USD 9,013).
- Sideways action for most of the session yesterday, the futures moved higher after Trump held off imposing Tariffs on China. Price remains supported on the open with the futures above all key moving averages whilst the RSI is above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 9,238 with the RSI at or below 58 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 8,940 will warn that there could be a larger, bullish Elliott wave cycle in play.
- The upside move to a new high in the futures yesterday has created a negative divergence with the RSI; not a buy signal, it is a warning that we could see a momentum slowdown. Trump's comments on tariffs and the subsequent move higher looks like it is causing a lower timeframe Elliott wave extension; however, for confirmation (despite the new high), we either need to see further upside, or price holding at these levels, as lower timeframe oscillators lack clarity at this point. Downside moves below the low of the last dominant bull candle (USD 9,149 – this is also the low of the last high candle), will indicate that sell side pressure is increasing (based on price), warning market bears are taking control. Key longer-term support is at USD 8,940, corrective moves lower that hold above this level will indicate there could be a larger bull cycle coming into play. Although we have a note of caution on moves higher due to the divergence, until we close below USD 9,149, resistance will remain vulnerable.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,622	R1	2,673	RSI above 50	Stochastic overbought
S2	2,597	R2			
S3	2,563	R3			

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (66)
- Stochastic is overbought
- Price is below the daily pivot point USD 2,689
- Technically bullish yesterday, the MA on the RSI indicated that momentum was supported at this point; however, two consecutive Doji crosses warned that there was indecision in the market, whilst the 1-hour RSI was divergent. Not a sell signal, we were seeing signs of a momentum slowdown, warning buyside pressure was decreasing. If we closed on the 4-hour candle below the low of the high candle (USD 2,676), it would suggest that selling pressure was increasing, whilst a close below the low of the last dominant bull candle (USD 2,653) would warn that support levels could come under pressure. We maintained a note of caution on upside moves at these levels; countering this, our Elliott wave analysis suggested that downside moves should be considered as countertrend, making USD 2,558 the key support to follow. If broken, then the probability of the futures trading to a new high would start to decrease.
- The futures traded to a high of USD 2.705 before seeing a small move lower in the Asian day session. Price is above all key moving averages with the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,689 with the RSI at or below 73.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,563 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish. A series of small upside rejection candles, alongside intraday candles making lower highs and lower lows, is warning that buyside pressure is weakening; this is supported by price and momentum being aligned to the sell side. However, if we move down a timeframe on the Elliott wave cycle; the move that started on the 14/01 (USD 2,553 low) suggests that there is still room for one more move above USD 2,705, before entering the higher timeframe corrective phase. In either scenario, downside moves should be countertrend.
- In Elliott wave terms, our analysis suggests we are in a corrective wave 4 of a higher timeframe wave 3.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,925	R1	2,958	RSI above 50	Stochastic overbought
S2	2,917	R2	2,978		
S3	2,896	R3	2,994		

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (57)
- Stochastic is overbought
- Price is below the pivot point USD 2,958
- Technically bullish yesterday, the MA on the RSI implied that momentum was supported. Based on our Elliott wave analysis the downside bear phase looks to have completed, meaning we maintained our view that moves lower should in theory be countertrend; this was supported by the RSI making new highs with price. If we did trade below USD 2,855, then the probability of the futures trading to a new high would start to decrease. We were bullish; however, the RSI was divergent on the 1-hour timeframe. Not a sell signal, it warned we could see an intraday pullback, which would need to be monitored.
- The futures traded to a low of USD 2,925 before moving higher. We have sold lower in the Asian day session but remain above all key moving averages supported by the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 2,958 with the RSI at or below 56 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. Downside moves that hold at or above USD 2,868 will warn that there is a larger, bullish Elliott wave cycle in play.
- Technically bullish, the futures are on a lower timeframe Elliott wave 5. In theory, we could trade as high as USD 3,010 within this phase of the cycle; however, we have a note of caution on moves higher, as price has sold lower on a 1-hour divergence. If we trade below USD 2,925, then the lower timeframe wave cycle will have completed, warning the Fibonacci support zone could come under pressure. As noted above, key longer-term support is at USD 2,868, as corrective moves that hold above this level will warn that there is a larger, bullish Elliott wave cycle in play.

Nickel Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	15,735	R1	16,015	15,985	RSI above 50	
S2	15,665	R2	16,136			
S3	15,323	R3	16,260			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (56)
- Stochastic is above 50
- Price is below the daily pivot point USD 16,015
- Technically bullish yesterday, the futures were moving lower due to the negative divergence. The MA on the RSI implied that we had light momentum weakness, warning support levels could come under pressure. Like Friday, we remained cautious on upside moves at these levels due to the divergence in play.
- Like the rest of the base complex, the futures had another test to the upside due to President Trump's comments on trade tariffs. 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 16,015 with the RSI at or above 62.5 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 below USD 15,735 will mean the intraday technical is bearish; however, corrective moves lower that hold at or above 15,323 will imply that there is a larger, bullish wave cycle in play.
- Technically bullish, the new high yesterday has created a second negative divergence with the RSI. Not a sell signal, it continues to warn that upside momentum could slow down. Lower timeframe Elliott wave analysis is suggesting that we are on a wave 5 for this phase of the cycle, with the potential to trade as high as USD 16,383. Corrective moves below USD 15,735 will signal that the lower timeframe wave cycle has completed, meaning the intraday technical will be bearish, making USD 15,323 the key support to follow. Downside moves that hold at or above this level will warn that there is a larger, bullish Elliott wave cycle coming into play. Due to the divergence and this being a wave 5, we have a note of caution on moves higher.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bull
S1	1,943	1,950		RSI below 50
S2	19,33			
S3	1,917			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (46)
- Stochastic is below 50
- Price is below the daily point USD 1,981
- Unchanged on the technical yesterday, we remained cautious on downside moves at that point, suggesting the USD 1,987 fractal resistance from Friday remained vulnerable. Lower timeframe Elliott wave analysis indicated that we could trade as high as USD 1,997 in the near-term; however, we had a note of caution on upside breakouts as it could create a negative divergence on the 1-hour RSI.
- The futures traded to a high of USD 1,995.5 before selling lower on the divergence. The Downside move below USD 1,954.5 this morning means the intraday technical is bearish. We are below 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 1,981 with the RSI at or above 49 will mean price and momentum are aligned to buy-side side. Upside moves that fail at or below USD 1,977 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Likewise, downside moves that hold at or above USD 1,943 will support longer-term bullish Elliott wave cycle.
- Technically bearish, the futures have completed a 5-wave pattern higher (Elliott wave) with price testing but holding above the USD 1,943 level at this point. If broken, then the probability of the futures trading above USD 1,995.5 in the near-term will start to decrease. If we hold, then market buyers will look to test the USD 1,977 resistance.

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at freightinvestorservices.com