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(Bloomberg) -- Copper eased from a five-month high, heading lower with other industrial metals as the US dollar strengthened amid fresh geopolitical uncertainties.

In the Middle East, Israel pledged to strike Hamas "with increasing military strength" as it launched fresh attacks across Gaza. Separately, investors are watching what emerges from US President Donald Trump's planned call later Tuesday with Russian leader Vladimir Putin.

Base metals have gained so far this year as demand remains relatively healthy despite worries about the impact of Trump's trade shake-up. A weaker US currency has also helped, but the Bloomberg Dollar Spot Index ticked up from Monday's four-month low.

Copper dipped 0.2% to \$9,842.50 a ton by 11:53 a.m. Shanghai time, while aluminum was 0.3% lower and nickel dropped 1%. Iron ore futures in Singapore were little changed.

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	9,723	R1	9,835.5	RSI above 50	Stochastic overbought	
S2	9,603	R2				9,899
S3	9,455	R3				10,055
					102,53	

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (61)
- Stochastic is overbought
- Price is below the daily pivot point USD 9,839
- Unchanged on the technical yesterday, the futures remained supported (based on price); however, the MA on the RSI warned that we had light momentum weakness, whilst price was still in divergence with the RSI. Not a sell signal, it implied that we could see a momentum slowdown, making USD 9,589 the key support to follow. A move below this level would mean that the probability of price trading to a new high will start to decrease. We remained cautious on moves higher at these levels.
- We traded to a high of USD 9,889.5 on the Asian open before seeing a small pullback, 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 9,839 with the RSI at or above 64 will mean price and momentum are aligned to the buy side; likewise, a close below this level with the RSI at or below 59.5 will mean it is aligned to the sell side. Downside moves that hold at or above USD 9,603 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish the MA on the RSI is flat whilst price remains in divergence, warning sell side momentum could slow. We did move higher yesterday; however, the upside move was on very low volume whilst aggregate open interest is dropping, implying a lack of intensity. Suggesting recent sellers have become risk off. With price in divergence whilst upside moves are on low volume, we maintain our view that the futures are vulnerable to a technical pullback. A close below the low of yesterday's bull candle (USD 9,776) will warn that sell side pressure is starting to increase.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,666.5	R1	2,674		RSI below 50
S2	2,661	R2			
S3	2,641	R3			

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA Support band (Black EMA's)
- RSI is below 50 (46)
- Stochastic is below 50
- Price is above the daily pivot point USD 2,690
- We remained bearish with a neutral bias yesterday, whilst the MA on the RSI implied that momentum was weak. The futures were testing the linear regression line (USD 2,692), a close above that held above the line would support a near-term bull argument, warning resistance level could come under pressure; if we did trade above the USD 2,726 fractal high it would indicate that there was a larger, bullish wave cycle in play. Conversely, a rejection of the linear line would warn that the USD 2,666.5 fractal support could be tested and broken. As noted last week, the break in the USD 2,669 fractal support indicated that the lower timeframe Elliott wave cycle had completed, meaning we were cautious on moves higher at those levels, despite the breach in the USD 2,705 level.
- The futures closed above but failed to hold above the linear regression line, resulting in price selling lower, the technical is back in bearish territory. 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 2,690 with the RSI at or above 54 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 2,641 will warn that there could be a larger bullish wave cycle in play.
- Technically bearish, the upside rejection yesterday is warning that the USD 2,666.5 fractal support could be tested and broken. The MA on the RSI implies we have light momentum weakness, whilst the lower timeframe bullish Elliott wave cycle looks to have completed. We maintain a cautious view on upside moves, as the technical suggests that support levels are vulnerable.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,913	R1	2,952		
S2	2,887	R2	2,968		
S3	2,867	R3	2,971		

Source Bloomberg

Synopsis - Intraday

- Price is between the EMA Support band (Black EMA's)
- RSI is at 50 (50)
- Stochastic is overbought
- Price is on the daily pivot point USD 2,968
- Technically bullish yesterday, the MA on the RSI implied that momentum was neutral whilst the futures were in divergence with the RSI. Not a sell signal, it warned that we could see a momentum slowdown, which would need to be monitored. We maintained a cautious view on moves higher at those levels; if price and momentum became aligned to the sell side, then support levels would start to look vulnerable.
- The futures have entered a corrective phase with price now between the EMA support band, The RSI is neutral at 50 with price and momentum aligned to the sell side.
- A close on the 4-hour candle above USD 2,968 with the RSI at or above 62.5 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 2,887 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish but in a corrective phase, the MA on the RSI implies that we have light momentum weakness. Upside moves that fail at or below USD 2,971 will warn that there is further downside within this corrective phase, making USD 2,887 the key support to follow. If broken, then the probability of the futures trading to a new high will start to decrease. Likewise, corrective moves that hold at or above USD 2,847 will warn that there could be a larger, bullish Elliot wave cycle coming into play. We remain cautious on upside moves due to price entering a corrective phase on the back of the negative divergence.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	16,208	R1	16,210	Stochastic overbought	RSI below 50
S2	16,032	R2			
S3	15,793	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (45)
- Stochastic is oversold
- Price is below the daily pivot point USD 16,478
- The technical remained bullish yesterday; however the RSI continued to move lower despite the futures trading to new highs, meaning we remained vulnerable to a corrective move lower. As noted previously, we maintain our view that downside moves should be considered as countertrend due to the bullish Elliott wave extension. With price still in divergence, the technical warned that support levels could come under pressure in the near-term.
- The futures have now entered a corrective phase with price now below the EMA support band and the USD 16,360 fractal support, meaning the technical is now bearish based on price (not the Elliott wave). The RSI is below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 16,478 with the RSI at or above 56 will mean price and momentum are aligned to the buy side. Upside moves that fail at or USD 16,569 will warn that there is further downside within this corrective phase, above this level will warn that the USD 16,780 fractal high could be tested and broken. Likewise, downside moves that hold at or above USD 15,788 will support a longer-term bull argument.
- Technically bearish, the MA on the RSI implies that momentum remains weak. The futures are moving lower on a negative divergence with the RSI, whilst the weak momentum implies resistance should hold if tested in the near-term, making USD 16,569 the key level to follow. If broken, then the probability of price trading to a new low will start to decrease, implying we are in the early stages of a bullish Elliott wave 5. As noted previously, we maintain our view that downside moves should be considered as countertrend due to the bullish Elliott wave extension.

Lead Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	2,086	2,090	RSI above 50	
S2	2,066			
S3	2,041			
	R1			
	R2			
	R3			

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (61)
- Stochastic is above 50
- Price is above the daily point USD 2,086
- Unchanged on the technical yesterday, the MA on the RSI implied that we had light momentum weakness, whilst the futures remained in divergence with the RSI. The technical suggests caution on upside breakouts as they could struggle to hold. We maintained our view based on the higher timeframe Elliott wave cycle that downside moves should be considered as countertrend at that point, making USD 2,038 the key support to follow. If broken, then the probability of the futures trading to a new high will start to decrease.
- The futures traded to a high of USD 2,100; however, due to the divergence the move failed to hold. We remain above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the sell side, as the previous candle closed below the daily pivot level.
- A close on the 4-hour candle above USD 2,086 with the RSI at or above 65.5 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 2,041 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI continues to move lower despite the futures moving higher, implying the divergence is becoming more dominant. The MA on the RSI also implies that momentum is weak. The futures are moving higher; however, the technical suggests that upside moves will struggle to hold at this point. We maintain our view based on the higher timeframe Elliott wave cycle that downside moves should be considered as countertrend at this point, making USD 2,041 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.

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