

Cu

(Bloomberg) -- Copper rose after China said it was evaluating having trade talks with the US, raising optimism that negotiations could reduce tariffs between the two largest economies.

The metal gained for a second day, tracking a move in other risk assets. China's Commerce Ministry said on Friday that it had noted senior US officials' desire to begin talks and was examining the possibility.

Base metals have been battered by US President Donald Trump's steep tariffs on China, which threaten to undercut economic growth and curb demand for the commodities. So far, Beijing has declined requests for direct talks between the countries' two leaders, threatening to prolong the ongoing stalemate.

Later on Friday, traders will look to a headline US employment report for signs of the initial impact of tariffs on the jobs market. Economists see hiring slowing, though the bulk of the effects aren't expected to kick in until the coming months.

Copper was 1.6% higher to \$9,351 a ton on the London Metal Exchange at 10:24 a.m. in Singapore. It was little changed for the week. Most other metals gained on Friday, led by tin which added 1.7%.

Iron ore futures in Singapore rose 0.7% to \$95.75 a ton. Chinese markets were closed for a public holiday.

# Copper Morning Technical (4-hour)



	Support		Resistance	Current Price	Bull	Bear
S1	9,292	R1	9,413	9,352	RSI above 50	
S2	9,197	R2	9,464			
S3	9,090	R3	9,510			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (53)
- Stochastic is above 50
- Price is above the daily pivot point USD 9,197
- Technically bearish with a neutral bias yesterday, the MA on the RSI implied that momentum was weak. The consolidation break to the downside was supported by the RSI making new lows, warning upside resistance levels could hold if tested in the near-term. The close below the daily 200-period MA warned that the technical was showing signs of weakness; however, we noted that price needed to hold below the average for downside continuation. Key Fibonacci support to follow was at USD 8,806, if we held above this level, it would warn that there was an underlying support in the market. Conversely, if broken the technical would be back in bearish territory. The breakdown implied weakness, supported by the RSI low; however, we had the weekly 200-period MA at USD 8,996. This would be a near-term downside target for market sellers, but also the next area of support.
- The futures failed to trade to a new low yesterday, with price finding bid support into the close, and on the open this morning, after reports that China says it is weighing trade talks with the US. Price is back trading in the consolidation channel (USD 9,413—USD 9,292), we are above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 9,197 with the RSI at or below 44.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 8,806 will support a bull argument, below this level the technical will be back in bearish territory.
- We remain bearish with a neutral bias, intraday price is back above the 200-period daily MA, (USD 9,369) having held Fibonacci support, whilst price is trading back in the consolidation channel; however, we are below the intraday 200-period MA (USD 9,510). There is an underlying support in the market due to the news out of China, but the technical is currently trading back between the 2 moving averages (daily/intraday), meaning we are technically neutral.

# Aluminium Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	2,410	R1	2,471.5	2,428.5	Stochastic oversold	RSI below 50
S2	2,385	R2	2,495			
S3	2,358	R3	2,557			

Source Bloomberg

## Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (51)
- Stochastic is oversold
- Price is above the daily pivot point USD 2,410
- Technically bearish yesterday, the MA on the RSI implied that momentum remained weak. Price had sold lower on the intraday divergence, whilst the close below polarity support warned that the USD 2,358 level was vulnerable. If broken, we would target the USD 2,300 fractal low; conversely, if we held above this level it would imply that there was an underlying support in the market. Our intraday Elliott wave analysis continued to suggest that upside moves should be considered as countertrend.
- The futures found light bid support yesterday, and again this morning, with price trading just above the upper polarity support band (USD 2,425). We are above all key moving averages with the RSI near-neutral at 51, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,410 with the RSI at or above 51.5 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, as the previous RSI close was below its average. Upside moves that fail at or above USD 2,557 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 implies that momentum is weak. Price is now trading just above polarity resistance, but the current candle is still open, meaning we are at an inflection point. If we close above and hold above it, then the USD 2,471.5 resistance will become vulnerable; likewise, a close below USD 2,415 will indicate that sellers are defending the resistance. Technically, based on our Elliott wave analysis, upside moves should be considered as countertrend. However, there are signs that China could be willing to speak to the US on trade, if a negation does start, then it is likely to drive prices higher.

# Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,609	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 (45)
- Stochastic is oversold
- Price is above the daily pivot point USD 2,589
- Technically bearish yesterday, the MA on the RSI implied that momentum was weak. Both price and the RSI had made new lows, suggesting upside moves should be considered as countertrend, this was supported by our Elliott wave analysis. The breach in the USD 2,581 support meant that the USD 2,515.5 fractal low is vulnerable.
- Having breached the USD 2,581 support yesterday, the futures, like the rest of the metals complex are moving higher this morning. We remain below the EMA resistance band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,589 with the RSI at or above 47 will mean price and momentum are aligned to the buy side; likewise, a close below this level with the RSI below 42.5 will mean it is aligned to the sell side. Upside moves that fail at or below USD 2,752 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 implies momentum is weak; however, the RSI is in the process of crossing its average, meaning price and momentum could become aligned to the buy side. If it does, then we will look to test the USD 26,90—USD 2,710 fractal resistance zone. Conversely, if RSI rejects its MA, then support levels will become vulnerable. Elliott wave analysis does suggest that upside moves should be considered as countertrend at this point; however, if we close above the high of the last dominant bear candle (USD 2,638.5), it will warn that buy side pressure is increasing.

# Nickel Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	15,110	R1	15,735	15,320	Stochastic oversold	RSI below 50
S2	14,872	R2	15,814			
S3	15,461	R3	15,920			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (44)
- Stochastic is oversold
- Price is above the daily pivot point USD 15,297
- Technically bearish with a neutral bias yesterday. The futures were in the process of rejecting the 200-period MA and trend resistance, warning support levels were starting to look vulnerable. The MA on the RSI implied that momentum was weak, whilst Elliott wave analysis suggested upside moves should be considered as countertrend. Countering this, the move above the USD 15,590 resistance did mean that the probability of the futures trading to a new low had started to decrease, making USD 14,550 the key support to follow. Corrective moves lower held at or above this level, would warn that there was an underlying support in the market. Price action was weakening; however, for downside continuation the futures need to breach the USD 14,550 support.
- The futures traded to a low of USD 15,180 before finding light bid support on the open. We are below the EMA resistance band with the RSI below 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 15,297 with the RSI at or above 47 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 14,550 will support a bull argument, below this level the technical will be back in bearish territory.
- Technically bearish with a neutral bias, the MA on the RSI implies momentum is weak. Price is holding above the Fibonacci support zone at this point; as noted yesterday, for downside continuation, we will need to see a move below the 14,550 support. Likewise, whilst above this level, resistance levels will remain vulnerable.



# Lead Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	1,953	R1	1,972.5			
S2	1,927	R2	1,989			
S3	1,910	R3	2,006			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (54)
- Stochastic is below 50
- Price is above the daily point USD 1,953
- Technically bearish yesterday, the MA on the RSI implied that momentum was weakening, whilst the rejection of the resistance zone due to the divergence in play suggested that Fibonacci support levels were vulnerable. We maintained a cautious view on moves higher at this point.
- The futures sold to a low of USD 1,938.5 before finding light bid support. We remain above the EMA support band with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 1,953 with the RSI at or above 55.5 will mean price and momentum are aligned to the buy side; likewise, a close below this level with the RSI at or below 51.5 will mean it is aligned to the sell side. Upside move that fail at or below USD 2,006 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 implies that momentum is weak, but the RSI is in the process of crossing the MA. The rejection of the resistance zone due to the divergence in play suggests that Fibonacci support levels are vulnerable; however, price action is supported due to potential trade talks. We remain cautious on moves higher whilst below the resistance zone, 200-period MA and the USD 2,006 level.

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](http://freightinvestorservices.com)