

US

(Bloomberg) -- President Donald Trump unveiled a wave of letters again threatening key trading partners with high tariff rates even as he delayed the increased duties until Aug. 1 and suggested that he was still open to negotiations.

Trump posted letters to various nations on social media on Monday, starting with his intent to impose 25% levies on goods from Japan and South Korea. A dozen more followed throughout the afternoon, outlining plans to tariff goods from trading partners including South Africa, Indonesia, Thailand and Cambodia.

Later at the White House, Trump signed an executive order that further delayed the so-called "reciprocal" tariffs, effectively buying each affected nation an extra three weeks to cut a deal. He said that "for the most part" he was content to simply impose the duties, even as he indicated he was continuing negotiations.

"We've made a deal with United Kingdom, we've made a deal with China, we've made a deal — we're close to making a deal with India," Trump said. "Others we met with, we don't think we're going to be able to make a deal. So we just send them a letter."

Trump says he is open to negotiations after rolling out between 25% to 40% tariffs on several countries.

Still, the US president said the Aug. 1 deadline was "not 100% firm" and signaled he might tweak the rates further.

"Maybe adjust a little bit, depending," Trump said, indicating he would look favorably on countries continuing to offer additional concessions. "We're not going to be unfair."

Asia's equity indexes were mixed with modest moves after Trump left the door open for additional trade talks. The MSCI regional stock benchmark edged up 0.1%, after swinging between small gains and losses earlier Tuesday. S&P 500 futures were little changed. South Korea's won strengthened, while a gauge of the dollar dipped 0.2%. The euro gained on a report the US offered a deal to the European Union with a 10% tariff level.

The flurry of letters was the latest turn of the screw for an overhaul of trade policy that has roiled markets and trade across the globe. One week after announcing the tariffs at a Rose Garden event on April 2, Trump offered a 90-day reprieve, lowering duties to 10% to allow time for negotiations. The steady flow of tariff threats has fueled uncertainty for markets, central bankers and executives trying to game out the effect on production, inventories, hiring, inflation and consumer demand.

Trump and other White House officials faced questions about whether the letters were simply a novel method of once again punting a looming July 9 deadline for his reciprocal tariffs, which were first announced on April 2. Most of the tariff rates, shared on his Truth Social platform, were largely in line with what Trump had already announced nations were likely to face. White House Press Secretary Karoline Leavitt said additional letters will arrive in the coming days. Trump in the missives also warned nations against retaliation.

"If for any reason you decide to raise your Tariffs, then, whatever the number you choose to raise them by will be added" to the threatened levels, Trump wrote.

Few nations successfully negotiated deals in the short time given. In the interim, Trump announced framework agreements with the United Kingdom and Vietnam and a trade truce with China.

Trump said the reciprocal rates didn't include any sectoral-specific tariffs that the administration implemented or planned in key industries. Both Japan and South Korea are major auto exporters, and are also facing US tariffs on steel.

Asked why Trump had chosen to hit Japan and South Korea first, Leavitt said it was "the president's prerogative," adding that "those are the countries he chose." She added that the administration is "close" to securing agreements with some other trading partners, adding that Trump "wants to ensure these are the best deals possible."

For many of the nations, engaging Trump in trade negotiations on his accelerated timeline has proven difficult.

Even though Japan and Korea are two of the US's closest allies in Asia, they're both dealing with domestic situations where cutting trade deals might be risky politically. South Korean President Lee Jae-myung only took office on June 4, and elections in Japan's upper house later this month made the government of Prime Minister Shigeru Ishiba reluctant to offer too much in concessions.

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	9,825	R1	9,936	Stochastic oversold	RSI below 50
S2	9,800	R2	10,013		
S3	9,788	R3	10,101		

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA support band (Black EMA's)
- The RSI below 50 (48)
- Stochastic is oversold
- Price is above the daily pivot point USD 9,825
- The downside move yesterday below USD 9,812 meant that the intraday technical was bearish based on price; however, the Elliott wave cycle remained bullish above USD 9,714 and neutral below. A move below this level would mean that the probability of the futures trading to a new high had started to decrease. The MA on the RSI indicated that momentum was weak, but wave analysis suggests downside moves should be considered as countertrend, as we had seen a lower timeframe wave extension. A close that held below the USD 9,810 level would weaken the technical further, warning the USD 9,714 support could come under pressure. The futures were trading over two standard deviations below the linear regression line, meaning we had a note of caution on moves lower at those levels.
- The futures have found light support two standard deviations below the linear regression line (USD 9,800). We are between the EMA support band with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 9,825 with the RSI at or above 50 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 9,714 will support a bull argument, below this level the technical will have a neutral bias. Likewise, upside moves that fail at or below USD 9,936 will warn that there is further downside within this corrective phase.
- Bearish based on price, the MA on the RSI implies momentum remains weak at this point; however, our Elliott wave analysis suggests we have the potential for another test to the upside due to a bullish wave extension, making USD 9,714—USD 9,936 the key levels to follow on this technical. Below USD 9,714 will indicate that the probability of the futures trading to a new high has started to decrease; whilst above USD 9,936 will leave the USD 10,020.5 fractal resistance vulnerable. With price finding support on the 2 stdv line, we remain cautious on downside moves at these levels.

Aluminium Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	2,576	R1	2,589	2,583.5	Stochastic oversold	RSI below 50
S2	2,567	R2	2,596			
S3	2,540	R3	2,601			

Source Bloomberg

Synopsis - Intraday

- Price is between the EMA support band (Black EMA's)
- RSI is below 50 (49)
- Stochastic is oversold
- Price is above the daily pivot point USD 2,576
- Technically bearish with a neutral bias yesterday, the MA on the RSI implied that momentum was weak. The futures were trading below the trend support line (USD 2,588) having sold lower on the negative divergence with the RSI, warning the USD 2,503 Fibonacci support could be tested and broken, a move below this will take the technical back into bearish territory. We were cautious on upside moves that closed and held back above the USD 2,588 level, as it would indicate that there was an underlying support in the market.
- The futures traded to a low of USD 2,555.5 before finding light bid support. Price is between the EMA support band with the RSI near neutral at 49, intraday price and momentum are conflicting, as the RSI was on its average of the previous candle close.
- A close on the 4-hour candle above USD 2,576 with the RSI at or above 50.5 will mean price and momentum are aligned to the buy side; likewise, a close below this level with the RSI at or below 46 will mean it is aligned to the sell side. Downside moves that hold at or above USD 2,503 will support a bull argument, below this level the technical will be back in bear territory. Likewise, upside moves that fail at or below USD 2,601 will warn that there is further downside within this corrective phase.
- Technically, we remain bearish with a neutral bias, whilst the MA on the RSI implies that we have light momentum weakness. Having sold lower on a negative divergence with the RSI, the futures have broken trend support (USD 2,596) and linear regression support (USD 2,589), we also have Fibonacci resistance at USD 2,601. For upside continuation, the futures are going to need to close and hold above the USD 2,601, as this will put price above the 3 resistance levels. Due to the move lower on the divergence, we remain cautious on upside moves at this point.

Zinc Morning Technical (4-hour)



Support	Resistance	Current Price	Bull	Bear
S1	R1	2,691	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA support band (Black EMA's)
- RSI is below 50 (42)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,700
- Bullish but in a corrective phase yesterday, the MA on the RSI implied that we had very light momentum weakness. However, we were trading over two standard deviations below the linear regression line (USD 2,769) whilst we had the 200-period MA at USD 2,690, meaning we had a note of caution on moves lower at those levels. If we did trade below the USD 2,671 support, then the probability of the futures trading to a new high would start to decrease, meaning there would be a higher probability of the bullish Elliott wave cycle failing. If we held above the USD 2,690 level it would warn that there was an underlying support in the market, meaning the USD 2,754 resistance could come under pressure.
- The futures traded to a low of USD 2,675 before seeing light bid support, 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 2,700 with the RSI at or above 49 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 2,671 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the futures remain in a corrective phase with the MA on the RSI implying momentum is weak. We are still trading over two standard deviations below the linear regression line (USD 2,759), implying price is overextended to the downside. However, if we do trade below USD 2,671, then the probability of the futures trading to a new high will start to decrease. Price is at an inflection point, as we are trading on the 200-period MA (USD 2,690); for upside continuation, we will need to hold above this average with price and momentum becoming aligned to the buy side. We remain cautious on downside moves whilst above the USD 2,671 level.

Nickel Morning Technical (4-hour)



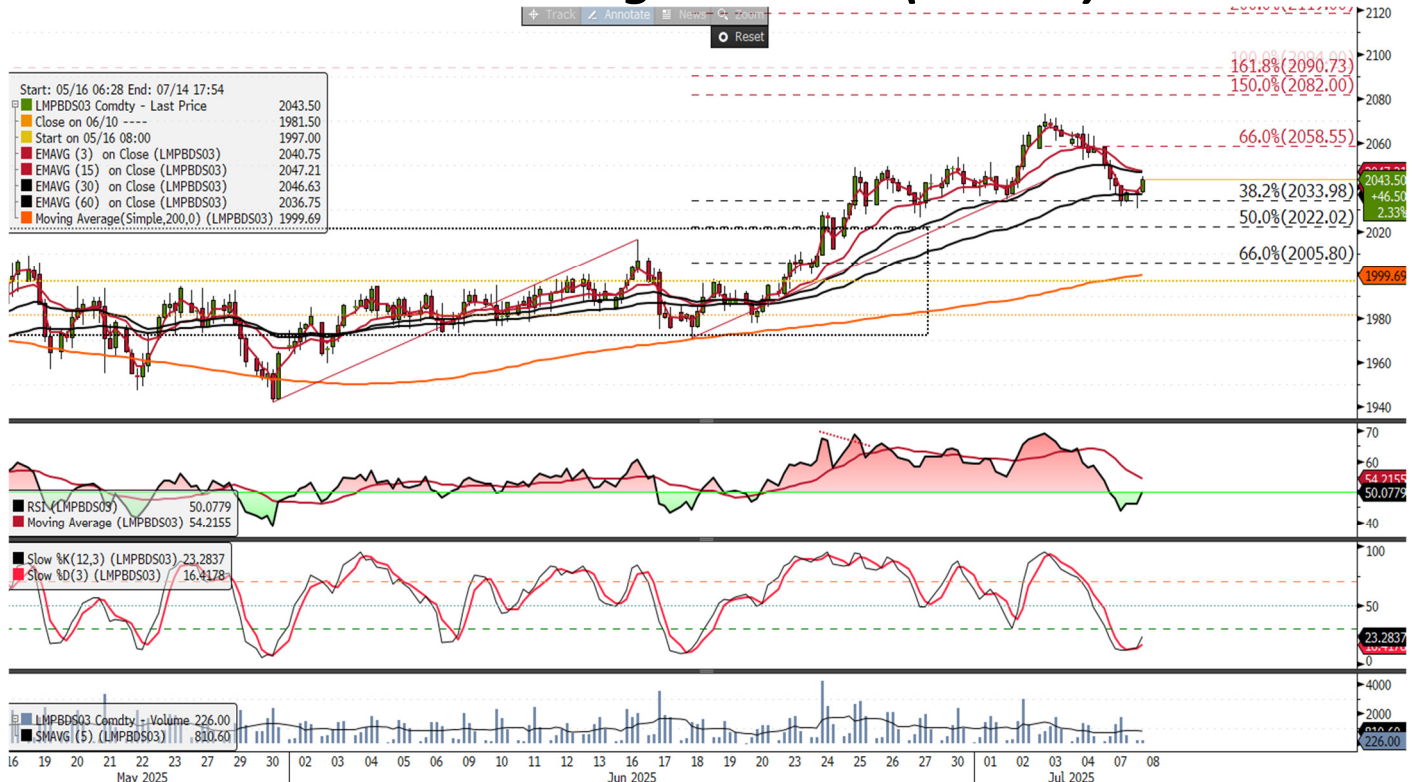
Support	Resistance	Current Price	Bull	Bear
S1	R1	15,140	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

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 15,190
- Technically bullish yesterday, below USD 15,110 the futures would be in bearish territory, making USD 15,021 the key support to follow. If broken, then the probability of there being a larger, bullish, Elliott wave cycle in play would start to decrease. The close below the 200-period MA and the rejection of it on the Asian open did warn that support levels were vulnerable.
- The futures traded to a low of USD 15,070, meaning the intraday technical is bearish due to the break in fractal support. We are below all key moving averages with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 15,190 with the RSI at or above 53.5 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 15,021 will support a bull argument, warning there could be a larger, bullish Elliott wave cycle coming into play. Likewise, upside moves that fail at or below USD 15,340 will imply that there could be further downside within this corrective phase.
- We are bearish based on price, the upside move to USD 15,480 and the subsequent downside moves below USD 15,110, has confirmed the completion of a lower timeframe Elliott wave cycle. Price is now corrective with the MA on the RSI implying momentum is weak, warning support levels remain vulnerable. USD 15,132 is the key level to follow, if broken, the probability of there being a large bull cycle coming into play will start to decrease. We have a more neutral view on this technical today.

Lead Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	2,033	R1	2,058	2,043.5	Stochastic oversold	RSI below 50
S2	2,022	R2	2,073			
S3	2,005	R3	2,082			

Synopsis - Intraday

Source Bloomberg

- Price is between the EMA support band (Black EMA's)
- RSI is at 50 (50)
- Stochastic is oversold
- Price is above the daily point USD 2,041
- Technically bullish but in a corrective phase yesterday, the MA on the RSI implied that momentum was weak. The futures had closed below the USD 2,057 level, warning the Fibonacci support zone could come under pressure; however, Elliott wave analysis suggested that downside moves should be considered as countertrend, making USD 2,005 the key level to follow. If broken, then the probability of the futures trading to a new high would start to decrease.
- The futures sold to a low of USD 2,030.5 before seeing light bid support this morning. We remain between the EMA support band with the RSI neutral at 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 2,041 with the RSI at or above 56.5 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 2,005 will support a longer-term bull argument.
- Bullish but in a corrective phase, the MA on the RSI implies that momentum remains weak at this point. Our Elliott wave analysis does suggest that downside moves should be considered as countertrend; however, the move lower has resulted in the RSI breaking support, suggesting bid support in the near-term could struggle to hold, as it looks like there will be another intraday bear wave within this technical.

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