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(Bloomberg) -- Copper was on track for a fourth weekly advance, with positive economic data from the world's two biggest economies buoying its demand outlook.

The metal edged up on Friday to trade near the highest in a month, while other London Metal Exchange commodities also gained. The economic bellwether metal has traded in a relatively narrow range this month, but has been supported by a weaker dollar.

US data this week showed its economy expanded faster than initially estimated on a pickup in business investment and a boost from trade. The figures also highlighted the resilience of consumer spending.

In China, industrial companies saw their profits decline in July at a slower pace than in the month before, in a sign that efforts to curb overcapacity may be starting to ease the strain of aggressive competition among producers. That could in turn aid consumption for industrial metals.

Copper is one of several key metals, along with aluminum and nickel, that have risen around 2% during August. Others, including lead and zinc, have also ticked higher.

Metal prices, including copper and aluminum, "appear set for an upswing in the near term as dollar bears' case remains compelling," Bloomberg Intelligence analysts said in a note Friday. The greenback's recent fluctuations against other Group of 20 currencies are "unlikely to alter the case for a cyclically bearish dollar" in the second half, they added.

Copper climbed 0.3% to \$9,849 a ton on the LME as of 10:48 a.m. in Singapore, on track for a 0.5% weekly gain. Aluminum rose 0.3% and zinc edged up.

# Copper Morning Technical (4-hour)



| Support | Resistance | Current Price | Bull         | Bear                  |
|---------|------------|---------------|--------------|-----------------------|
| S1      | R1         | 9,849.5       | RSI above 50 | Stochastic overbought |
| S2      | R2         |               |              |                       |
| S3      | R3         |               |              |                       |

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (58)
- Stochastic is overbought
- Price is above the daily pivot point USD 9,811
- Bullish but in a corrective phase last week, the MA on the RSI was flat, implying momentum was neutral. A double top formation and an M-pattern breakdown imply intraday weakness, resulting in the futures closing below the linear-regression line (USD 9,797); however, price was holding above the 200-period MA at this point. A bearish engulfing candle on the daily chart warned that support levels could come under further pressure. A high volume candle on 200-period MA previously indicated market buyers were defending the average, a close that holds below it would warn the USD 9,670.5 fractal support could be tested.
- The futures have held the 200-period MA (USD 9,755) resulting in price trading higher. 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 above USD 9,811 with the RSI at or below 53.58 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 9,671 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, having held the 200 period MA yesterday the futures are now testing the double top formation (USD 9,856). For upside breakouts are going to need to close and hold above this level with the RSI making a new high, as price will be divergent with the RSI on an upside breakout. Whilst below the top formation we have a note of caution on upside breakouts.

# Aluminium Morning Technical (4-hour)



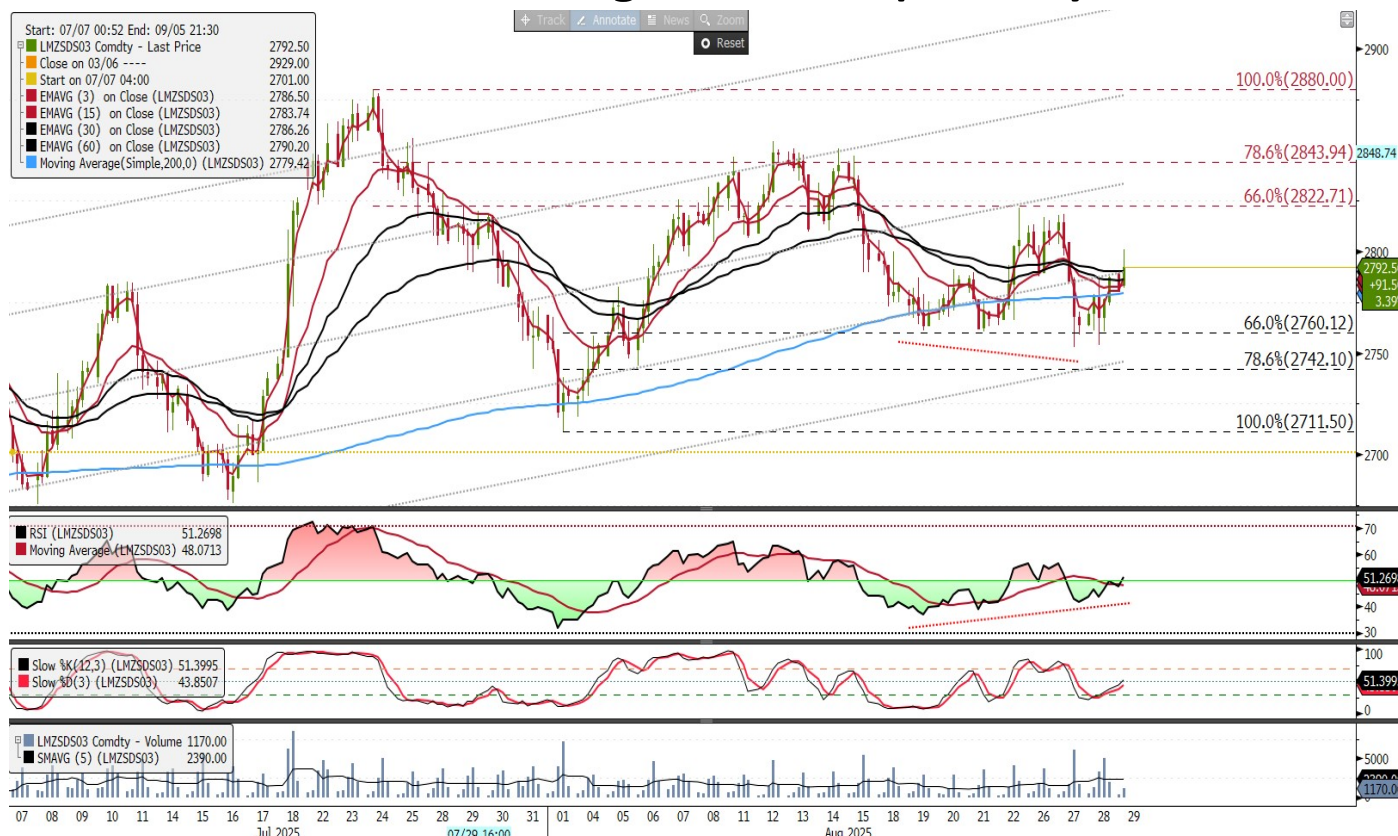
| Support | Resistance | Current Price | Bull         | Bear |
|---------|------------|---------------|--------------|------|
| S1      | R1         | 2,617         | RSI above 50 |      |
| S2      | R2         |               |              |      |
| S3      | R3         |               |              |      |

Source Bloomberg

## Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (53)
- Stochastic is below 50
- Price is above the daily pivot point USD 2,609
- Technically bullish yesterday, the futures were holding above the intraday 200-period MA (USD 2,602) having produced two high volume candles on the average in consecutive days, this was countered by the upside rejection from the resistance area highlighted previously. Lower timeframe Elliott wave analysis (sub 1-hour) did show a cycle completion, meaning the USD 2,587 support was starting to look vulnerable, warning it could come under pressure. The last dominant high volume bull candle had a low of USD 2,601, an intraday 4-hour close below this level would indicate sell side pressure was increasing. Despite the bull support on the average, we were cautious on upside moves due to the resistance zone (marked in red), the linear regression (USD 2,654) and the 100% Fibonacci projection (USD 2,656).
- The futures are consolidating above the intraday 200-period MA (USD 2,602) having failed to close below the USD 2,601 level. We are 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 2,609 with the RSI at or above 57 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.
- Unchanged on the technical today, the futures are holding above the intraday 200-period MA having sold lower on a lower timeframe divergence, the resistance rejection highlighted previously suggests caution on upside moves. However, for downside continuation we will need to see a close below the low of the last Dominant bull candle (USD 2,601), until we do price is still vulnerable to a move higher. Although cautious on upside moves, a close below USD 2,601 is needed to signal sell side pressure is increasing.

# Zinc Morning Technical (4-hour)



|    | Support | Resistance | Current Price | Bull | Bear |
|----|---------|------------|---------------|------|------|
| S1 | 2,779   | R1         | 2,822         |      |      |
| S2 | 2,774   | R2         | 2,833         |      |      |
| S3 | 2,760   | R3         | 2,843         |      |      |

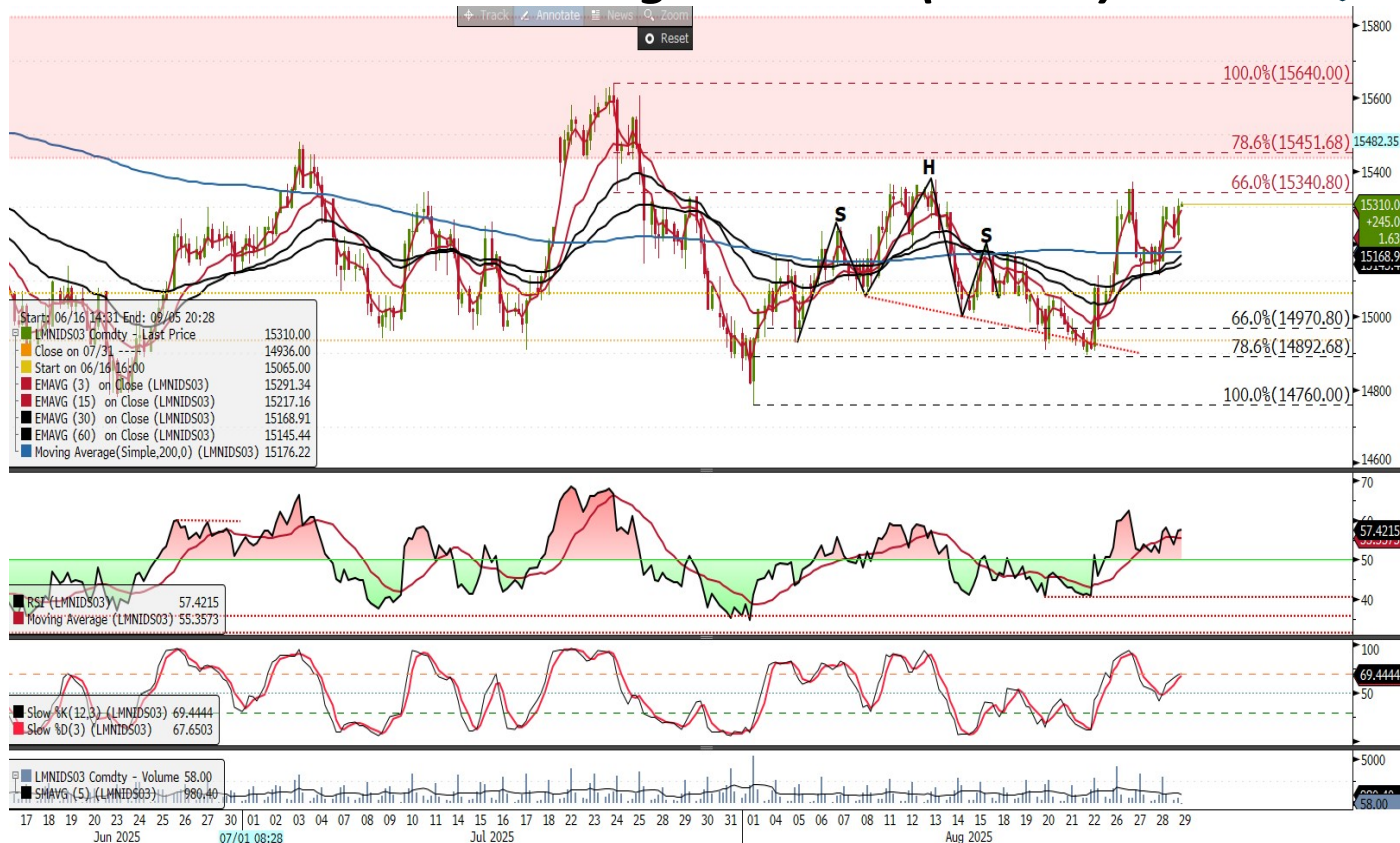
Source Bloomberg

## Synopsis - Intraday

- Price is above the EMA resistance band (Black EMA's)
- RSI is at 50 (50)
- Stochastic is below 50
- Price is above the daily pivot point USD 2,774
- Technically bearish yesterday, the MA on the RSI implied that we had light momentum weakness, whilst the longer-term structure did not look to be bullish impulse, the deep pullback and intraday close below the 200-period MA (USD 2,779) indicated technical weakness. However, the new low had created a positive divergence with the RSI, warning sell side momentum could slow in the near-term, meaning we were cautious on intraday moves lower today, unless the divergence failed. Bearish but a little overextended to the downside.
- The futures have moved higher on the divergence highlighted yesterday. We are between the EMA support band with the RSI neutral at 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 2,774 with the RSI at or below 46 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,822 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the futures are trading back above the 200-period MA (USD 2,779), implying intraday support in the market. The move below USD 2,854.5—USD 2,760.5 showed a lower timeframe Elliott wave completion; however, price has since traded to a new low, warning there could be a larger bearish Elliott wave cycle in play, implying upside moves have the potential to be countertrend. For downside continuation we are going to see a close that holds below the USD 2,779 level.



# Nickel Morning Technical (4-hour)



| Support |        | Resistance |        | Current Price | Bull         | Bear |
|---------|--------|------------|--------|---------------|--------------|------|
| S1      | 15,227 | R1         | 15,340 | 15,310        | RSI above 50 |      |
| S2      | 14,970 | R2         | 15,451 |               |              |      |
| S3      | 14,892 | R3         | 15,640 |               |              |      |

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (57)
- Stochastic is above 50
- Price is below the daily pivot point USD 15,227
- Technically bullish yesterday, the downside move had held the EMA support band with price producing a bullish support candle; however, price was at an inflection point, as we were trading on the intraday 200-period MA (USD 15,181). A close that held above the average will support a buyer's argument, warning resistance levels could come back under pressure. Conversely, if we closed below the average, and the low of the bull support candle (USD 15,070), then we could see the USD 14,970 Fibonacci support coming under pressure. If broken, the probability of the futures trading to a new high will start to decrease. Although we are at an inflection point, we continued to be cautious on corrective moves lower due to the breach in the USD 15,340 resistance, a failed breakout on the bearish H&S pattern, alongside the technical being in bull territory.
- The futures closed above the 200-period MA (USD 15,176) resulting in price moving higher. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle above USD 15,227 with the RSI at or above 53 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 14,970 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the close above the 200-period MA (USD 15,176) is supporting a buyer's argument, warning the USD 15,370 fractal resistance will be tested and broken. However, above this level the technical will be in divergence with the RSI; not a sell signal, it is a warning that we could see a momentum slowdown, which will need to be monitored. Due to the divergence, we are cautious on upside breakouts. A cautious bull, the futures will be vulnerable to an intraday pullback on an upside breakout.

# Lead Morning Technical (4-hour)



| Support |       | Resistance |       | Current Price | Bull         | Bear |
|---------|-------|------------|-------|---------------|--------------|------|
| S1      | 1,987 | R1         | 2,004 | 1,993         | RSI above 50 |      |
| S2      | 1,958 | R2         | 2,012 |               |              |      |
| S3      | 1,936 | R3         | 2,023 |               |              |      |

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (53)
- Stochastic is below 50
- Price is above the daily point USD 1,987
- Unchanged on the technical yesterday, the futures remained below the daily and intraday 200-period MA's (USD 1,992—USD 2,005) meaning we were cautious on upside moves whilst below the averages. However, we had moved higher on a positive divergence with the RSI, for downside continuation, we still needed to see a close below the low of the last dominant bull candle (USD 1,979.5)
- The futures continue to consolidate. 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 1,987 with the RSI at or below 49 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,012 will warn there could be a larger, bearish, Elliott wave cycle in play.
- Unchanged on the technical again this morning. We remain below the daily and intraday 200-period MA's (USD 1,991—USD 2,004) meaning we were cautious on upside moves whilst below the averages. However, having moved higher on a positive divergence with the RSI, for downside continuation, we still needed to see a close below the low of the last dominant bull candle (USD 1,979.5).

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