

Ni

(Bloomberg) -- Nickel rose after Indonesia seized part of a giant mine part-owned by top Chinese producer Tsingshan Holding Group Co., underlining risks to ore output in the world's largest supplier.

The metal gained on the London Metal Exchange after a government task force took control on Thursday of about 148 hectares of the operation owned by PT Weda Bay Nickel — the world's largest mine for the battery metal — over an alleged permit violation. France's Eramet SA, one of the company's shareholders, has said it saw no impact on operations at this stage.

Still, the seizure highlights ongoing challenges to reliable supply from Indonesia, which accounts for well over half of global nickel output. President Prabowo Subianto, who has outlined bold and costly plans for the nation, has also promised a crack-down on illegal mining, which may disrupt the flows of ore to local processors.

Smelters in Indonesia have been dealing with a tight ore market all of this year, due to high rainfall and low issuance of government mining quotas. At the same time, LME nickel prices have spent months range trading at low levels, held back by disappointing demand from the electric vehicle battery sector.

Nickel futures advanced 1.2% to \$15,335 a ton on the LME by 2:32 p.m. in Singapore. Copper added 0.6% and aluminum rose 0.5%.

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	10,028	R1	10,164	RSI above 50	Stochastic overbought
S2	9,981	R2	10,227		
S3	9,945	R3	10,326		

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (66)
- Stochastic is overbought
- Price is above the daily pivot point USD 10,028
- Technically bullish yesterday, we noted that the move above USD 9,977 indicated that buy-side pressure was increasing, leaving the USD 10,038 fractal high vulnerable, as it could be tested and broken. However, we had a note of caution on upside breakouts to a new high, as the RSI would be divergent with price. Not a sell signal, it warned that we could see a momentum slowdown. Market longs should be cautious on a close that held below the linear regression line (USD 9,955), as it would imply that sell-side pressure was increasing, meaning trend and polarity support could come under pressure (USD 9,918—USD 9,856).
- The futures have now traded above the USD 10,038 fractal resistance. 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 below USD 10,028 with the RSI at or below 56 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 9,821 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI implies momentum is supported; however, the 4-hour RSI is still divergent, with RSI resistance at 67.25, meaning we are cautious on upside moves at these levels. Countering this, the lower timeframe Elliott wave cycle has seen a bullish extension, meaning downside moves should be considered as countertrend, making USD 9,821 the key support to follow. If broken, the probability of the futures trading to a new high will start to decrease.

Aluminium Morning Technical (4-hour)



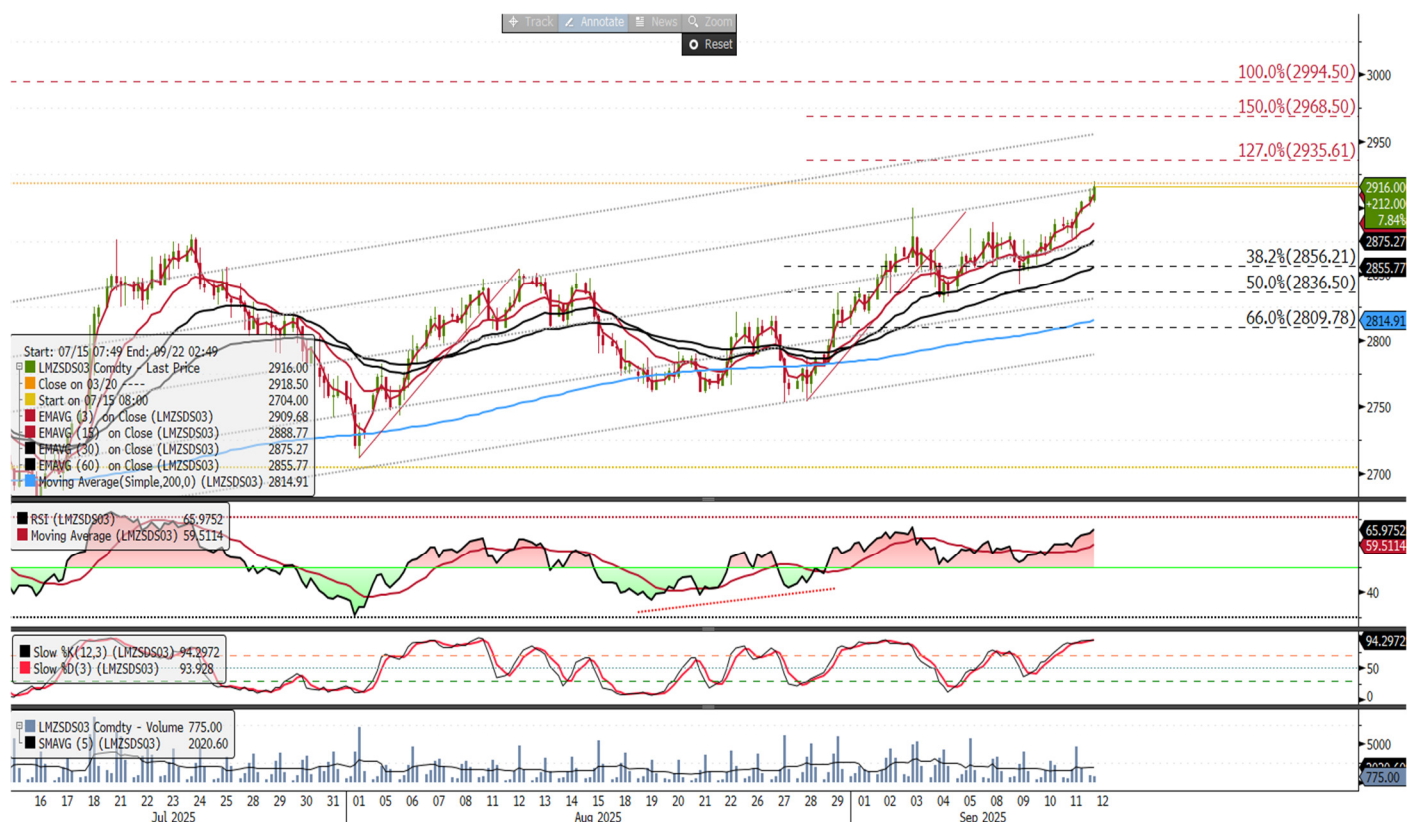
Support		Resistance		Current Price	Bull	Bear
S1	2,658	R1	2,699	2,683.5	RSI above 50	Stochastic overbought
S2	2,648	R2	2,720			
S3	2,637	R3	2,730			

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (73)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,658
- Intraday price action was bullish yesterday with the MA on the RSI implying we had light momentum support, the daily and weekly structure remained neutral. As highlighted previously, the 3-wave correction followed by the move above the USD 2,625 fractal resistance warned that the USD 2,646 level was vulnerable. We continued to be cautious of a close that held below the 200-period MA (USD 2,608), as it would neutralize the bullish breakout.
- The futures have seen a strong move higher on the bullish breakout above the USD 2,625 resistance highlighted earlier in the week. We are above all key moving supported by the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 2,658 with the RSI at or below 60 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,621 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI implies that momentum is supported, whilst the RSI is making new highs alongside price, suggesting downside moves should be considered as countertrend. Key support is now at USD 2,621, below this level, the probability of price trading to a new high will start to decrease. If we close today above the USD 2,664.5 level, it will signal a bullish breakout on the intraday and daily timeframes.

Zinc Morning Technical (4-hour)



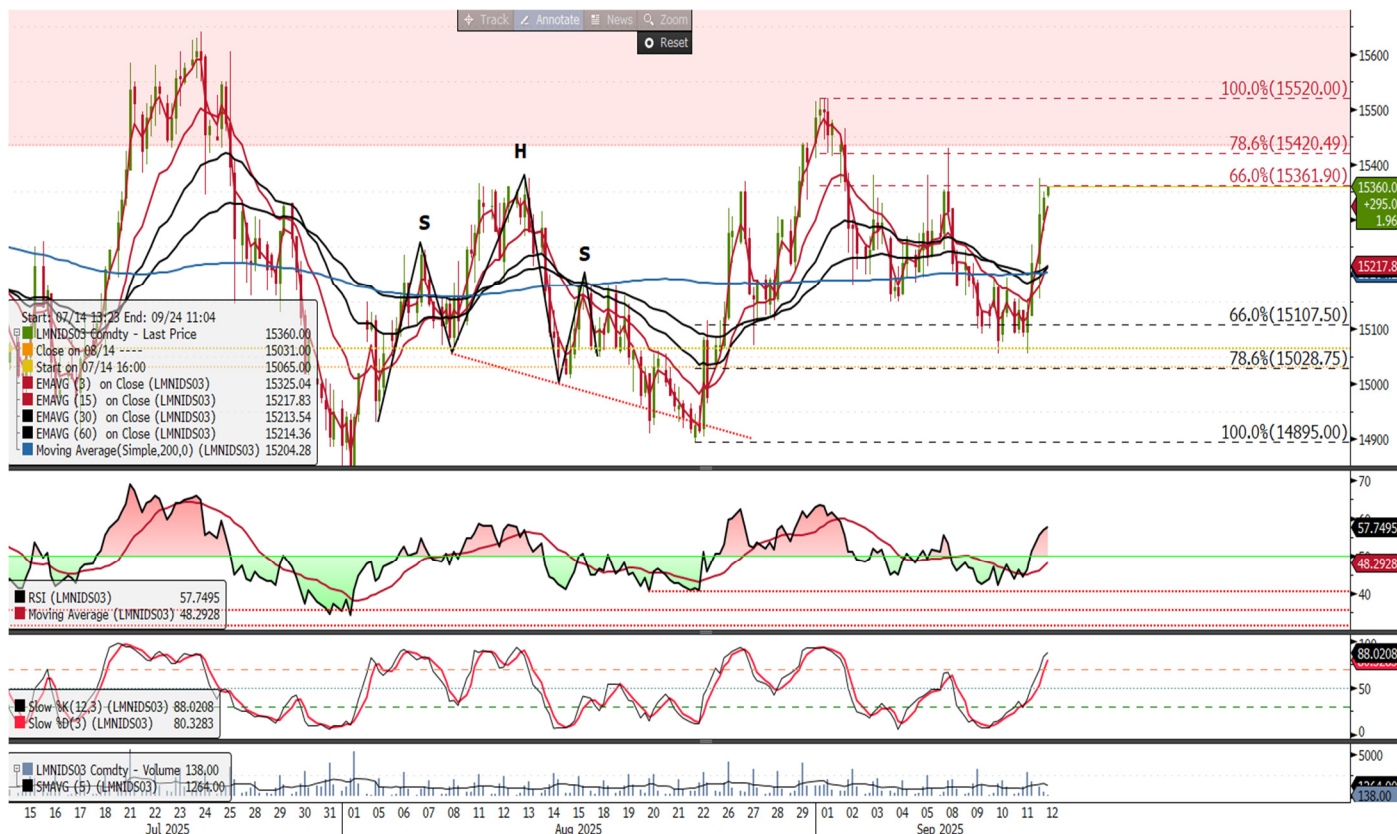
Support	Resistance	Current Price	Bull	Bear
S1	R1	2,916	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (57)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,894
- Technically bullish yesterday, as noted previously the futures were holding above the linear regression line (USD 2,867), whilst our Elliott wave analysis suggested that downside moves should be considered as countertrend. This implied that the upside move was bullish impulse, warning the USD 2,900 fractal high could be tested and broken. However, we had a note of caution on upside breakouts above this level, as the RSI would be divergent with price, warning buy-side momentum could slow.
- The futures have traded to a new high with price 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 below USD 2,894 with the RSI at or below 57.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,809 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI implies that momentum is support. The 4-hour RSI remains in divergence, whilst testing its resistance, meaning price is vulnerable to an intraday pullback; however, the upside moves has volume support whilst our Elliott wave analysis continues to suggest the move higher is bullish impulse, suggesting downside moves should be considered as countertrend. A close that holds below the linear regression line (USD 2,872) will indicate sell side pressure is increasing, making USD 2,809 the key support to follow. If broken, then the probability of price trading to a new low high will start to decrease.

Nickel Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	15,204	R1	15,361	15,360	RSI above 50	Stochastic overbought
S2	15,153	R2	15,420			
S3	15,107	R3	15,520			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (57)
- Stochastic is overbought
- Price is below the daily pivot point USD 15,153
- The futures remained bullish with a neutral bias yesterday, the depth of the pullback previously meant that the probability of price trading to a new high had started to decrease. Countering this, we had a 3-wave corrective pattern lower that potentially had bullish connotations going forward; if the futures closed and hold above the 200-period MA (USD 15,204), it would warn that the USD 15,302 resistance could come under pressure. We noted that this remained the key resistance on the technical, if rejected, it would imply there was possibly a larger bearish correction coming into play; conversely, if broken, the technical would be in bullish territory. We maintained a neutral view due to the depth of the pullback.
- The futures closed above the intraday 200-period MA and have traded above the USD 15,302 resistance, meaning the technical is back in bullish territory. 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 below USD 15,153 with the RSI at or below 46 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 15,107 will support a bull argument, below this level the technical will have a neutral bias. Note: the support is back in play due to resistance being broken.
- Technically bullish, the MA on the RSI implies that momentum is supported. The upside moves has seen the RSI break near-term resistance, suggesting downside moves should be considered as countertrend, making USD 15,107 the key level to follow. If broken, then the probability of the futures trading to a new low will start to decrease. Having moved higher on the 3-wave correction the upside move is looking like it could be bullish impulse, if we trade above the USD 15,430 resistance, we target the USD 15,520 fractal high.

Lead Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	1,992	R1	2,007	2,000.5	RSI above 50	Stochastic overbought
S2	1,972	R2	2,013			
S3	1,965	R3	2,024			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (58)
- Stochastic is overbought
- Price is above the daily point USD 1,992
- Technically bearish yesterday, the futures had mean reverted back to the daily 200-period MA (USD 1,991), meaning price was at an inflection point. A close that held above the average will warn the USD 2,007 and USD 2,0012 resistance levels could come under pressure. Conversely, if rejected, it would leave support levels vulnerable. We had mean reverted, but whilst on, or below the average, we continued to be cautious on higher moves.
- The futures have moved higher with price above the intraday and daily 200-period averages (USD 1,993—USD 1,992). Price is 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 below USD 1,992 with the RSI at or below 47 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,013 will warn there could be a larger, bearish, Elliott wave cycle in play.
- Technically bearish, the MA on the RSI implies momentum is supported with price above the intraday and daily 200-period moving averages, if we hold above them it will further support a buyer's argument. Upside moves that trade above the USD 2,007 fractal resistance will target the USD 2,013 level. If broken, then the probability of there being a larger bearish cycle in play will start to decrease. Market sellers will need to be cautious above the USD 2,019 level, as this is the previous months high; if broken, it could attract CTA buying looking to test the monthly fractal resistance at USD 2,073. The futures need to close and hold above the USD 1,993—USD 1,992 support, otherwise it will negate the current bull move.

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