Base Morning Intraday Note

info@freightinvestor.com | www.freightinvestorservices.com | (+44) 207 090 1120

Copper

The upside moves yesterday has confirmed the futures are in an extended wave 3. A technical pullback in the futures means that price and momentum are aligned to the sell side with the futures looking like they could be entering a corrective wave 4 of this cycle, meaning it should be considered as countertrend. Downside moves that hold at or above USD 9,583 would support a buyer's argument, below this level the pullback would be considered as deep and the technical phase neutral. Upside moves on the 4-hour candle that close above USD 9,876 with the RSI at or above the 71 level (currently 63) would mean intraday price and momentum are aligned to the buyside. Resistance is at USD 9,876, USD 9,848 USD, 9,967 with support at USD 9,695, USD 9,583, and USD 9,515.

Ali

The futures have entered a corrective phase with intraday price and momentum aligned to the sell side. We noted yesterday that the move that started on the 20/04/21 has the potential to be an extended wave and this remains the case, providing price holds above the USD 2,379 level. Below this level the pullback would be considered as deep on a lower timeframe (36 min chart), meaning the technical should be considered as neutral, further support can be found at USD 2,373 and USD 2,362. Upside moves on the 4-hour candle that close above USD 2,397 with the RSI at or above 64.5 (currently 59) would mean intraday price and momentum are aligned to the buyside with resistance at USD 24,12 and USD 2,432.

Zinc

Having broken the USD 2,899 range resistance, the futures produced a long legged Doji on the daily technical warning of indecision in the market. Intraday price and momentum are now conflicting as the downside move does not yet have RSI support, a close on the 4-hour candle below USD 2,917 with the RSI at or below 57 (currently 57.7) would mean intraday price and momentum are aligned to the sell side. Likewise, a close above USD 2,917 with the RSI at or above 61.5 would mean intraday price and momentum are aligned to the buyside. Price is now trading around the USD 2,899 level which could become a battle between bulls and bears as this has previously been a key resistance. Downside moves in theory remain bullish above the USD 2,842 level, however if the bulls do not produce a robust defense around this area, then we could see the futures back in a ranging environment. Support is at USD 2,899, USD 2,867, USD 2,842 with resistance at USD 2,917, USD 2,944, and USD 2,952.

Nickel

The upside move in nickel is starting to look like a genuine breakout with the futures producing a three white soldiers' pattern, this would suggest that market bulls are in control. Near-term resistance on the daily tech is at USD 17,362, USD 17,887, and USD 18,598. The tertiary resistance on the daily chart is a key level, upside moves that trade fail below this level would leave the higher timeframe technical vulnerable to further downside moves; however, above this level the upside move is deep into the dominant bear wave, meaning the higher timeframe technical would be considered as neutral and not bearish. Downside moves on the 4-hour candle that close below USD 16,876 with the RSI at or below 63 (currently 69) would mean intraday price and momentum are aligned to the sell side. Further support can be found at USD 16,875, USD 16,629, and USD 16,495.

Lead

Lead has opened lower meaning intraday price and momentum are currently conflicting. The technical trend remains bullish with the lower timeframe Elliott wave chart looking like it is in a corrective wave 4 of this phase (started on the 21/04/21, 31 min time frame). Resistance is at USD 2,097, USD 2,111, USD 2,123 with support at USD 2,084, USD 2,067, and USD 2,039. Downside moves on the 4—hour candle that close below the USD 2,071 level with the RSI at or below 56.5 would mean intraday price and momentum are aligned to the sell side, whilst above this level with the RSI above 61 would be bullish.