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Base Morning Intraday Note

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

Copper

The intraday futures made a higher high yesterday creating a negative divergence with the RSI, resulting in price pulling back to yesterday's low. Intraday price and momentum are now conflicting as price is below the daily pivot point, a close above the USD 10,273 level would warn momentum is improving based on price. Likewise, a close below this level with the RSI at or below 52 (currently 53.5) would mean intraday price and momentum are aligned to the sell side. The 1—hour technical is holding the 55 period EMA, a close above the USD 10,284.5 would again support an intraday bull argument making USD 10,273, USD 10,284.5 a key resistance zone for market bulls, further resistance can be found at USD 10,525 and USD 10,747.5. Downside moves that hold at or above the USD 10,203 level would support a buyer's argument, whilst corrective moves below USD 10,120 would create a lower low, leaving market sellers to target the USD 10,013.5 support.

Ali

Like copper, the upside move yesterday created a negative divergence resulting in a technical pullback. Intraday price and momentum are aligned to the sell side but the 4—hour candle is still open, meaning it is not confirmed. A close above the USD 2,479 level with the RSI at or above 57.5 (currently 52.8) would mean intraday price and momentum are aligned to the buyside. Downside moves that hold at or above the USD 2,454 level would support a bull argument, below this level the pullback is considered as deep indicating the intraday technical is neutral. Downside moves below USD 2,427 would create a lower low in the market, suggesting we have entered a higher timeframe corrective phase, meaning key support would move down to USD 2,373. Upside moves that close above the USD 2,492.5 level would further support a buyer's argument and suggest the USD 2,508 high could be tested.

Zinc

Technically bullish with the futures making higher highs and higher lows, we do have a negative divergence in play warning of the potential for a momentum slowdown. A close on the 4—hour candle below the USD 3,065 with the RSI at or below 55.5 (currently 61.5) would mean intraday P&M are aligned to the sell side. A close belowUSD 3,034.5 would further support a weakening intraday technical, suggesting the USD 3,004.5 level could be tested. Upside moves above USD 3,095, would target the USD 3,108.5 and 3,157 resistance levels.

Nickel

The futures remain below the USD 18,598 resistance, meaning the daily technical remains vulnerable to further tests to the downside, a close above this level would indicate the longer-term technical is considered as neutral rather than bearish. The intraday P&M remains aligned to the buyside with the future making higher highs and higher lows, supporting a near-term bull argument. A close on the 4—hour candle below USD 18,181 with the RSI at or below 55.5 (currently 61) would mean intraday P&M is weakening; downside moves below the USD 17,970 would further support a weakening intraday technical, warning the USD 17,770 fractal support could be tested. Upside moves above the USD 18,410 level will target the USD 18,598 and USD 18,763 resistance.

Lead

A pullback on a negative divergence yesterday has left intraday P&M conflicting, a close above the USD 2,208 level would mean it is back aligned to the buyside, with near-term resistance at USD 2,235.5, USD 2,258.5, and USD 2,301. Likewise, a close below the USD 2,208 on the 4—hour candle with the RSI at or below 49.5 (currently 54) would mean intraday P&M is weakening, suggesting market sellers could look to test the USD 2,172.5 and USD 2,114 support levels. Price action is bullish but in a consolidation phase.

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