



Base Morning Intraday Note

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Copper

The last trade in the U.S session was at USD 9,388; the futures have gapped up on the Asian open (USD 9,413) the futures are trading above the daily pivot level (USD 9,420). Part of this move could be a weakening USD basket overnight; however, there are reports on Bloomberg that Codelco's main U.S. customers agreed to an increase of the premium they pay for delivery of copper cathode next year, according to people with knowledge of the matter. American buyers of Codelco copper will pay the Chilean state-owned producer between 1 cent and 1.5 cent a pound above this year's premium, said the people, who asked not to be identified because talks are private. Intraday price and momentum are conflicting, a close on the 4-hour candle below USD 9,420 would mean it is aligned to the sell side, likewise a close above this level with the RSI at or above 49.5 (currently 47) would mean it is aligned to the buyside. The technical remains in a range with resistance at USD 9,488.5, USD 9,554.5, USD 9,607, upside moves above USD 9,488.5 would create a higher high meaning the intraday technical is bullish. Support is at USD 9,695, USD 9,349, and USD 9,315.

Alu

Having initially rallied on tariff discussions between the U.S. and Japan on Monday the futures came under pressure yesterday due to growing LME stockpiles and a stronger USD basket. From a technical perspective the intraday pull-back is deep, weakening the upside bull move, leaving the USD 2,604 fractal support vulnerable. Downside moves below this level are bearish leaving the futures to target the USD 2,581.5 and 2,572.5 support levels. Intraday price and momentum are aligned to the sell side as price is below the daily pivot whilst the RSI is below its moving average, upside moves on the 4-hour candle that close above USD 2,636 with the RSI at or above 51 (currently 44) would indicate that P&M are aligned to the buyside. Resistance is at USD 2,636, USD 2,646, and USD 2,665.

Zinc

The futures moved lower yesterday and continue to come under pressure today due to inflows into Singapore warehouses (Bloomberg). The technical remains bullish but in a corrective phase with intraday price and momentum aligned to the sell side, downside moves that hold above the USD 3,197 level will support a bull argument, below this level price is still bullish but we have an element of neutrality based on the depth of the pullback. Supply tightness is abating with LME inventories of the metal used to galvanize steel jumping 16% on Monday, the most since January, as supplies poured into warehouses located in Singapore (Bloomberg). This has resulted in an RSI move below 50, which does imply that momentum is also weak. A close on the 4-hour candle above USD 3,305 with the RSI at or above 60 (currently 46) would mean P&M are aligned to the buyside. Resistance is at USD 3,292, USD 3,306, and USD 3,323, upside moves that fail at or below the USD 3,323 would warn the technical is vulnerable to further tests to the downside. Support is at USD 3,237, USD 3,197, and USD 3,166.

Nickel

Already bearish with P&M aligned to the sell side the futures are coming under more pressure as production cuts pledged by China's stainless steelmakers and a slowdown in the nation's economy further weakened the outlook for demand. Six stainless steel mills including Tsingshan Holding Group Co. vowed to reduce combined production by over 450,000 tons in the coming three months, Mysteel reported. The mills are lowering output to avoid losses, Jinrui Futures Co. said in a note. Production in the world's top supplier already fell to 2.33 million tons in October, the lowest in 19 months. Upside moves that close on the 4-hour candle that close above USD 19,571 with the RSI at or above 46.5 (currently 34.5) would mean P&M are aligned to the buy-side. The trend and momentum are bearish with the RSI looking to test the 34-support level highlighted yesterday. Resistance is at USD 19,571, USD 19,665, and USD 19,757, upside moves that fail at or below the USD 19,757 level remain vulnerable to further tests to the downside. Support is at USD 19,312, USD 19,145, and USD 19,002

Lead

The futures have traded below the USD 2,251 support meaning the intraday technical is now bearish. Upside moves that fail at or below USD 2,286 remain vulnerable to further tests to the downside whilst a close on the 4-hour candle above USD 2,288 with RSI at or above 55.5 (currently 46.5) would mean that P&M are aligned to the buy-side. The daily technical is neutral bullish with price in a range between USD 2,332.5 and USD 2,199. Intraday resistance is at USD 2,269, USD 2,279, USD 2,288 with support at USD 2,239, USD 2,226, and USD 2,212