



Base Morning Intraday Note

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Copper

12-hours is a long time in the commodity complex, yesterday we witnessed a mini collapse in the futures on subdued economic data in China, price entered bear territory to trade to a low of USD 9,135. Based on the European close the technical suggested that there is more downside in the futures. Roll on a few hours, clarity from the Federal reserve on its bond tapering and interest rate policy going forward results in a weakening USD basket and equitally, copper moves off its lows. Overnight we have news reports on Bloomberg that one of Peru's biggest copper mines is winding down operations after failing to reach a deal to end community protests in another blow to the local industry and global metal supplies, copper gaps higher. The Futures are already USD 250 off their low, the intraday technical has moved from bullish to bearish to bearish/neutral with intraday price and momentum aligned to the buy side. Upside moves above USD 9,488 will create an intraday high and be bullish, a close below USD 9,278 with the RSI at or below 42.5 (currently 47) would mean intraday P&M are aligned to the sell side. Technically, in all honesty, it is a bit of a mess!

Alu

Today's theme could be a little repetitive, copper led the decline on subdued economic before rallying on clarity from the Federal Reserve on interest rates. Alu traded lower, rallied into the close, pushed higher on the Asian open. Intraday P&M are aligned to the buy side with price trading to a high of USD 2,637.5, above USD 2,638 the technical is neutral/bearish whilst above USD 2,665 it is bullish. Downside moves that close on the 4-hour candle below USD 2,605 with the RSI at or below 45 (currently 52) would mean P&M are aligned to the sell side. Resistance is at USD 2,638, USD 2,647, USD 2,665 with support at USD 2,617, USD 2,611, and USD 2,605.

Zinc

Technically bullish with the corrective move holding above USD 3,197, price is now above the USD 3,310 level suggesting the futures will now target the USD 3,360-USD 3,375 resistance zone, further resistance is at USD 3,411. Downside moves on the 4-hour candle that close below USD 3,264 with the RSI at or below 52 (currently 55.5) would mean P&M are aligned to the sell side. Support is at USD 3,283, USD 3,260, and USD 3,252, below the USD 3,252 level the futures will target the USD 3,214 fractal.

Nickel

The technical was already bearish before the downbeat news from China, price traded down to, but held above the USD 19,002 support. Intraday price and momentum are now conflicting as price is above the daily pivot (USD 19,241) but the RSI is below its moving average. Upside moves on the 4-hour candle that close above this level with the RSI at or above 43.5 (currently 41) would mean P&M are aligned to the buy side; likewise, a close below this level would mean it is aligned to the sell side. Technically bearish, resistance is at USD 19,492, USD 19,640, USD 19,757 with support at USD 19,312, 19,241, and USD 19,145. Upside moves that fail at or below USD 19,640 remain vulnerable to further tests to the downside, above this level the pullback is deep into the last bear wave meaning the intraday technical is neutral/bearish, only above USD 19,955 is it bullish.

Lead

Bearish yesterday price has made a new high in the Asian session to put price back in bullish territory. Lots of random movement on the intraday price with buy side and sell side fractals being broken. If the futures trade above USD 2,332.5 it will create a higher high on the daily technical and be considered bullish. Intraday P&M are aligned to the buy side with resistance at USD 2,316, USD 2,332.5, and USD 2,347, a close on the 4-hour candle below USD 2,281 with the RSI at or below 51.5 (currently 57) would mean P&M are aligned to the sell side. Support is at USD 2,281, USD 2,267, and USD 2,246. the intraday is bullish the daily is neutral/bearish.