



Base Morning Intraday Note

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Copper

Protesters agreed to lift a blockade of one of Peru's biggest copper mines, calling a truce until a meeting with the country's prime minister at the end of the month. The Chumbivilcas communities agreed to suspend their blockade of MMG Ltd.'s Las Bambas mine until a Dec. 30 meeting with Prime Minister Mirtha Vasquez, Victor Villa, legal adviser for the communities, said in a telephone interview. The Hantun Collana community was yet to decide whether to join the truce (Bloomberg). Intraday P&M are aligned to the buy side whilst the intraday technical is now bullish, upside moves above the USD 9,677.5 level would put the daily technical in bullish territory. A close on the 4-hour candle below USD 9,601 with the RSI at or below 52 (currently 57.5) would mean intraday P&M are aligned to the sell side; However corrective moves that hold at or above USD 9,443 will support a bull argument, below this level the pullback is considered as deep meaning the technical is neutral/bullish, below USD 9,337.5 it is bearish. Resistance is at USD 9,677.5, USD 9,767, and USD 9,808.

Alu

Europe's energy crisis continues to spur prices higher in the Aluminium sector having already hit Zinc smelters. Most energy intensive Alu producers in China have also previously seen constraints amid a nationwide electricity shortage (Bloomberg). The intraday technical remains bullish alongside the daily chart with intraday P&M aligned to the buy side. A close on the 4-hour candle below USD 2,807 with the RSI at or below 61.5 (Currently 72) would mean P&M are aligned to the sell side. Upside moves above USD 2,849 have the potential to create a negative divergence with the RSI on the 1-hour technical, not a sell signal it does warn that we have the potential to enter a corrective pullback soon; however, the higher high on the 1 and 4-hour RSI would suggest that any technical pullback at this point is likely to be countertrend and find buying support at lower levels. Resistance is at USD 2,867, USD 2,886, USD 2,905 with support at USD 2,807, USD 2,778, and USD 2,756. Note: corrective moves that hold at or above USD 2,726 will support a bull argument.

Zinc

There is an expression in the UK, what is good the goose is good for the gander. One person's situation should be treated the same way that another person or situation is treated. For base metals and Zinc this is energy, the surge in costs in the E.U is exposing the region's biggest gas and power consumers to face heavy losses, forcing industrial giants to cut production. This is naturally forcing metal prices higher with the futures trading up to USD 3,550 yesterday, the technical is bullish supported by intraday P&M which is aligned to the buy side. Momentum indicators would suggest that downside support levels should hold, a close on the 4-hour candle below USD 3,501 with the RSI at or below 60 (currently 65) would mean intraday P&M are aligned to the sell side. However, corrective moves lower that hold at or above USD 3,394 will support a bull argument, below this level the technical is neutral/bullish whilst below USD 3,316 it is bearish. Resistance is at USD 3,550, USD 3,614, and USD 3,637.

Nickel

Like the rest of the base complex, we continue to see higher prices on the back of rising energy costs, the technical is bullish with intraday P&M aligned to the buy side. A close on the 4-hour candle below USD 19,831 with the RSI at or below 50.5 (currently 64) would mean P&M are aligned to the sell side; however, corrective moves lower that hold at or above USD 19,527 will support a bull argument, the technical is only considered as bearish below USD 19,190. Intraday momentum indicators on both the 1 and 4-hour timeframes would suggest that downside moves should be considered as countertrend at this point. Resistance is at USD 20,247, USD 20,342, USD 20,438 with support at USD 19,831, 19,685, and USD 19,527.

Lead

The futures remain technically bullish with recent downside moves holding above the USD 2,267 level. Intraday P&M are aligned to the buy side, downside moves on the 4-hour candle that close below USD 2,307 with the RSI at or below 51.5 (currently 55) would mean P&M are aligned to the sell side. Further support is at USD 2,284, USD 2,277, and USD 2,267. Resistance is at USD 2,344.5, USD 2,359, and USD 2,371.