



Base Morning Intraday Note

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Copper

The futures held support on the Asian open after GS were quoted on Bloomberg saying 'Property-sector-related "concern around 2022 copper demand is overblown," Goldman Sachs says. It forecasts total Chinese demand for copper to rise 4.5% next year compared with its earlier estimate of 3.0%. The investment bank adds that low copper inventories will also support prices and recommends a long Dec. 2023 LME copper flat-price position. The three-month LME copper contract is 0.1% higher at \$9622.0 a ton'. Price has since moved lower resulting in intraday price and momentum conflicting, but the current candle is still open. A close on the 4-hour candle below USD 9,618 with the RSI at or below 52.5 (currently 54.5) will mean P&M are aligned to the sell side. Likewise, a close above this level with the RSI at or above 57 will mean it is aligned to the buy side. A small revision on our support levels, downside moves that hold at or above USD 9,567 will support a bull argument, below this level the intraday technical is neutral bullish whilst below USD 9,515 price will have made a lower low and be bearish. Resistance is at USD 9,618, USD 9,669, and USD 9,763

Alu

Zinc and aluminium fell as investor demand slumped following price hikes and potential supply gains next year. China's spot zinc market is muted as users slowed purchases after prices surged, researcher Shanghai Metals Market reported, citing its survey. Zinc and aluminium both rose to a two-month high earlier this week after the European energy crisis led to production cuts at smelters (Bloomberg). Price is moving lower with intraday P&M now conflicting as the futures have closed below the daily pivot support (USD 2,838), if we hold below this level and the 4-hour RSI closes below 64.5 (currently 65) then P&M will be aligned to the sell side. Likewise, a close above this level with the RSI at or above 69 would mean it is aligned to the buy side. The downside move is corrective at this point, if we hold above USD 2,784 it will support a bull argument, if we trade below USD 2,751 the intraday technical will be bearish. The RSI has made a higher high implying the move between the 20-22 of Dec could be bullish impulse, if this is the case then the intraday technical could have another test to the upside within this phase. Resistance is at USD 2,838, USD 2,867, USD 2,886 with support at USD 2,811, USD 2,800, and USD 2,784.

Zinc

As noted above, zinc and aluminium fell as investor demand slumped following price hikes and potential supply gains next year. Intraday price and momentum are conflicting as price is below the daily pivot (USD 3,527) if we close on the 4-hour candle below this level with the RSI at or below 60.5 (currently 61) then P&M will be aligned to the sell side. Likewise, a close above this level with the at or above 65 would mean it is aligned to the buy side. The RSI has made a new high with the longer period EMA's (30-60) remaining well-spaced, this would suggest the trend is currently stable. Downside moves 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 3,527, USD 3,557.5, and USD 3,589.

Nickel

SHFE nickel stockpiles rise 681 tons to 5,763 tons (Bloomberg). A small rise in stockpiles is offset by high energy prices, as a result the futures are currently moving sideways, intraday P&M are aligned to the buy side. A close on the 4-hour candle below USD 20,063 with the RSI at or below 54 (currently 61) would mean P&M are aligned to the sell side. Downside moves that hold at or above USD 19,527 will support a bull argument, below USD 19,190 the intraday technical is bearish. We have a small fractal support at 19,930, if we trade below this level then the USD 19,527 support could come under pressure. Resistance is at USD 20,190, USD 20,370, and USD 20,440.

Lead

A strong move to the downside has left intraday P&M aligned to the sell side, the technical is currently neutral, below USD 2,246 it will be bearish. Upside moves on the 4-hour candle that close above USD 2,288 with the RSI at or above 54 (currently 45.5) will mean P&M are aligned to the buy side. The daily technical is in a range USD 2,344.5—USD 2,246 with the intraday showing random price movement at this point. Resistance is at USD 2,288, USD 2,334, USD 2,344.5 with support at USD 2,246, USD 2,235, and USD 2,224.

Merry Christmas