



# Base Morning Intraday Note

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### Copper

Having closed the bear gap yesterday the futures did trade below the USD 9,445 low leaving the futures to target the USD 9,315 fractal support. However, in Chile, planned mining taxes that are opposed by mining giants including BHP Group were approved in an initial vote by lawmakers. Meanwhile, in neighboring Peru, talk of impeaching President Pedro Castillo threatens political uncertainty in the major copper producer. This was supported by China's Vice Premier Liu saying the country's economic growth this year will exceed targets (Bloomberg). The futures rallied hard with the last 4-hour intraday candle closing above the USD 9,445 level to produce a bullish rejection candle, the Asian open has seen further upside moves with price trading to a high of USD 9,595. Intraday price and momentum are aligned to the buy side; above USD 9,655 the intraday technical will have made a higher high and be considered as bullish. Downside moves on the 4-hour candle that close below USD 9,485 with the RSI at or below 44 (currently 48) would mean intraday P&M are aligned to the sell side. Intraday volatility range resistance starts at USD 9,610 whilst the RSI is testing a small resistance area from the 29-11, warning we could see a small intraday pullback into the European open. Resistance is at USD 9,610, USD 9,655, USD 9,716 with support at USD 9,485, USD 9,381, and USD 9,315.

### Alu

A late rally into the close followed by higher prices into the Asian open reflect a similar pattern to copper, the difference being the downside move yesterday did not make a lower low meaning the technical footprint is not the same. Upside moves above fractal resistance at USD 2,664 remain vulnerable below USD 2,687, the technical is not considered as bullish until we trade above USD 2,736. Copper was driven largely by the news in South America, Liu's comment on economic growth is countered by the China's Nov Caixin/Markit Manufacturing Purchasing Managers Index (PMI) which has come in below expectation at 49.9 (EST 50.6), the 50-mark separates growth from contraction (Reuters). Intraday P&M are aligned to the buy side, but price is moving lower, a close on the 4-hour candle below USD 2,631 with the RSI at or below 43.5 would mean it is aligned to the sell side. Further support is at USD 2,592 and USD 2,573. Technically bearish, intraday P&M are holding to the buy side at this point.

### Zinc

Some wild moves in the futures yesterday with price trading to a high of USD 3,276, however our key resistance is at USD 3,281 meaning the futures remain vulnerable below this level. The upside move was followed by an intraday price collapse resulting in a daily low at USD 3,184. Zinc did follow the base complex higher on the open meaning intraday P&M are conflicting, a close above USD 3,263 on the 4-hour candle with the futures at or above 48 (currently 45.6) would mean intraday P&M are aligned to the buy side. Likewise, a close below this level with the RSI at or below 43.5 would mean it is aligned to the sell side. Market Speculators have decreased their bullish LME zinc bets by 1,246 net-long positions to 77,649, weekly bourse data on futures and options show. The net-long position was the least bullish in more than six weeks. Long-only positions fell 1,520 lots to 281,108 in the week ending Nov. 22. The long-only total was the lowest in more than three weeks (Bloomberg). Small risk off for the spec side. The technical is bearish with price in a small consolidation phase. Resistance is at USD 3,231, USD 3,252, USD 3,281 with support at USD 3,184, USD 3,162, and USD 3,136.

## Nickel

Having initially sold off just under 5% on Friday Nickel is proving to be resilient. Price is in a consolidation phase with the futures failing to hold above the USD 20,291 resistance level whilst downside moves remain above the recent low of USD 19,705. The trend is bearish in the intraday having made a lower low but the daily technical is considered as neutral/bullish. Due to the consolidation intraday P&M levels are a little unreliable at this point, Resistance is at USD 20,291, USD 20,472, USD 20,718 with support at USD 19,705, USD 19,484, and USD 19,337.

## Lead

A very difficult market to read, the technical is bearish with the upside move failing to trade above the USD 2,335 resistance, leaving the technical vulnerable to a downside move, this supports a bear argument. The correction has held the USD 2,252 support which supports a bull argument, the futures have rallied alongside the base complex meaning intraday P&M are aligned to the buyside. A close on the 4-hour candle below USD 2,281 with the RSI at or below USD 47.5 (currently 52) would mean it is aligned to the sell side. Technically bearish but support has held giving a neutral element to the market. Support is at USD 2,281, USD 2,237, USD 2,212 with resistance at USD 2,313, USD 2,335, and USD 2,352.

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