



Base Morning Intraday Note

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Copper

A bullish candle on Thursday was met by a bearish candle on Friday, however this candle did make a higher high and higher low than the previous day. Upside moves above USD 9,600 will warn that buy-side momentum is increasing based on a new intraday high (Bloomberg) -- Copper rose after a three-week slump as plans to halt one of Peru's biggest mines curtails supply just as China seeks to increase support for the economy. Las Bambas is planning to halt production as road blockades by community groups starve the operation of key inputs and restrict metal shipments, according to Hong Kong listed owner MMG Ltd. That would further tighten the copper market that's already seen inventories slump to the lowest since 2008. Intraday price and momentum are conflicting, a close on the 4-hour candle above USD 9,450 with the RSI at or above 48 (currently 45) would mean 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. On the daily technical price remains vulnerable to further tests to the downside on upside moves that fail at or below USD 9,729, above this level the futures will target the USD 9,920 fractal high. Resistance is at USD 9,579, USD 9,600, USD 9,633 with support at USD 9,369, USD 9,349, and USD 9,255.

Alu

We noted previously that the futures appeared to be in a complex correction with the futures looking vulnerable to a test to the downside, Price continues to move lower but remains above the USD 2,592 low. Intraday price and momentum are aligned to the sell side. According to SMM (Shanghai Metals Market) LME stocks hit a 14-year low last week, however this is countered by SHFE Alu stocks that rose by 1.9% last week to 334,934 mt. From a technical perspective the futures remain vulnerable below USD 2,687 and will need to trade above USD 2,736 to break key fractal resistance to be considered as bullish. If we do trade below USD 2,592 then key fractal resistance will drop to USD 2,647.5, suggesting market bulls that are trading higher high price action will prefer to see the market come off in the near-term. A close on the 4-hour candle above USD 2,623 with the RSI at or above 48.5 (currently 43) would mean P&M are aligned to the buy-side. Resistance is at USD 2,623, USD 2,647.5, USD 2,687 with support at USD 2,592, USD 2,567, and USD 2,550.

Zinc

The futures remain in a complex corrective phase with price moving lower due to North China being subject to air pollution warning, suppressing consumption for galvanized zinc products. Spot transactions were muted as there was no obvious improvement of downstream consumption (SMM). Intraday price and momentum are aligned to the sell side with the futures just above the USD 3,136 fractal support, below this level the RSI will create a positive divergence with the RSI; not a buy signal it does warn of the potential for a momentum slowdown. A close on the 4-hour candle above USD 3,171 with the RSI at or above 47 (currently 41.5) would mean P&M are aligned to the buy-side, above USD 3,211.5 the futures will have made a higher high on the intraday technical and be considered as bullish. On the daily technical upside moves that fail at or below USD 3,670 remain vulnerable to further tests to the downside below USD 3,670, only above USD 3,944 is the daily technical considered to be bullish. Resistance is at USD 3,211.5, USD 3,246, USD 3,269 with support at USD 3,136, USD 3,091, and USD 3,069.

Nickel

Technically bearish but not in a trending environment last week, the futures have moved to the downside in the Asian session. No obvious news is out suggesting the move is either purely technical or linked to the downside move lower in Chinese Nickel Pig iron 8-12%, which is 1.04% lower. The futures have made a lower low below the USD 19,708 fractal resistance meaning the USD 19,150 low from the 18/11 is now a logical downside target for market sellers. Upside moves that close on the 4-hour candle above USD 20,126 with the RSI at or above 50.5 (currently 39) would mean intraday P&M are aligned to the buy side, whilst a move above USD 20,440 would mean the intraday technical is considered as bullish. Resistance is at USD 20,126, USD 20,440, USD 20,496 with support at USD 19,513, USD 19,373, and USD 19,150.

Lead

Neutral bullish on the E.U open on Friday with conflicting intraday P&M. The futures moved to the downside to create a lower low in the market, intraday P&M are aligned to the sell side with the futures now in divergence with the RSI. The divergence is not a buy signal, but it does warn that we have the potential to see a momentum slow-down. Upside moves on the 4-hour candle that close above USD 2,218 with the RSI at or above 46.5 (currently 36) would mean intraday P&M are aligned to the buy side; However, upside moves that fail at or below USD 2,263 remain vulnerable to further test to the downside. Upside moves above USD 2,301 will create a higher high and be bullish. Resistance is at USD 2,218, USD 2,232, USD 2,245 with support at USD 2,160, USD 2,148, and USD 2,136.

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