



# Base Morning Intraday Note

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### Copper

Copper rallied yesterday after strong Chinese imports pointed to buoyant demand in the world's top commodities consumer. Price traded above the USD 9,600 fractal resistance to create a higher high on the intraday technical which is now regarded as bullish. Price sold off into the U.S close leaving intraday price and momentum conflicting. A close above USD 9,569 will leave it aligned to the buy side whilst a close below this level with the RSI at or below 46.5 (currently 51) would mean it is aligned to the sell side. Upside moves on the daily technical that fail at or below USD 9,729 remain vulnerable to further tests to the downside, above this level the futures will target the USD 9,920 fractal resistance. On the daily technical we still have expectations of a bullish Elliott wave-5 to come with price potentially in the early stages of this. Above USD 9,920 the probability of price being in a bullish wave-5 will increase. Resistance is at USD 9,677, USD 9,729, USD 9,763 with support at USD 9,523, USD 9,474, and USD 9,435.

### Aluminum

A global shortage of aluminum supply is set to widen in the coming year as Chinese supply tightens, in part due to power-consumption cuts, Japanese trading house Marubeni Corp. said in presentation (Bloomberg). The futures continued to move higher yesterday with intraday P&M remaining aligned to the buy side, as noted yesterday the daily technical remains above the 200-period MA. However, it is worth noting that the 1-hour 200-period MA is at USD 2,645 making it a near-term upside target and potential intraday resistance level; we highlight this as we have a fractal resistance at USD 2,647.5 on the 4-hour technical, upside moves above this level would mean the intraday technical is bullish. Downside moves on the 4-hour candle that close below USD 2,614 with the RSI at or below 44.5 (currently 50.5) would mean intraday P&M are aligned to the sell side. Resistance is at USD 2,647.5, USD 2,670, and USD 2,685 with support at USD 2,614, USD 2,581, and USD 2,564.

### Zinc

The futures rose for a fourth day as investors assess production cuts at smelters in China amid the country's intensified environmental campaign. Supply losses at some smelters in southern China have been notable because of government regulations to curb pollution, Jinrui Futures Co. said. Meanwhile, demand from galvanizing plants in the north is rising to meet annual production targets, the broker added, suggesting bulls hold onto their positions (Bloomberg). Having rallied on the back of a positive divergence the futures have now made a higher high, the intraday technical is bullish supported by P&M being aligned to the buy side. A close on the 4-hour candle below USD 3,207 with the RSI at or below 49 (currently 54.5) would mean intraday P&M are aligned to the sell side. Corrective moves lower that hold at or above USD 3,158 will support a bull argument, below this level the futures have the potential to test the USD 3,114 fractal support. Like Aluminum, price continues to hold above the 200-period MA on the daily technical (USD 2,553). Resistance is at USD 3,276.5, USD 3,291, USD 3,310 with support at USD 3,207, USD 3,194, and USD 3,178.

## Nickel

The futures continue to push higher alongside the rest of the base complex and iron ore, onshore Rebar price remains relatively unchanged on the day having traded higher yesterday. Intraday price and momentum are aligned to the buy side with the futures targeting the USD 20,440 fractal resistance, above this level the intraday futures are bullish. Downside moves that close on the 4-hour candle below USD 20,051 with the RSI at or below 48.5 (currently 57) would mean intraday P&M are aligned to the sell side. On the daily technical the futures remain bullish neutral making USD 20,440 a key level to follow, above this level both the intraday and daily fractal footprints will be aligned to the buy side. Resistance is at USD 20,440, USD 20,610, USD 20,753 with support at USD 20,051, USD 19,838, and USD 19,750

## Lead

The futures moved lower yesterday before rallying into the close after a 650 ton drop in LME inventories to 55,725 tons. Intraday P&M are conflicting, a close on the 4-hour candle above USD 2,202 with the RSI at or above 44.5 (currently 43) would mean it is aligned to the buy side. Likewise, a close below this level with the RSI at or below 40 would mean it is aligned to the sell side. We are now seeing 3 small tests to the upside in the last 3 days warning that market bulls are starting to test seller resilience, the lack of any real downside move on the follow would imply that the trend is slowing and potentially about to reverse. Note the futures are back in divergence with the RSI, indicating the futures are not a technical sell. Resistance is at USD 2,225, USD 2,232, USD 2,239 with support at USD 2,182, USD 2,161, and USD 2,148.

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