



Base Morning Intraday Note

info@freightinvestor.asia | freightinvestorservices.com | (+65) 6535 5189

Copper

The futures have come under pressure in the Asian session following a strong upside on the USD index yesterday, coupled with record Omicron infections over the new year price has made a lower low on the intraday. The intraday is technically bearish with price and momentum aligned to the sell side, a close on the 4-hour candle above USD 9,722 with the RSI at or above 58 (currently 50) would mean P&M are aligned to the buyside, above USD 9,755 the technical will target the USD 9,795 high. Support is at USD 9,615, USD 9,546, and USD 9,504.

Alu

As noted on copper the futures came under pressure due to the rising USD index, however prices remain supported due to concerns over rising energy costs in Europe. Intraday P&M are aligned to the sell side with price holding the first of our intraday volatility supports at USD 2,773, further support is at USD 2,760 and USD 2,746. Upside moves on the 4-hour candle that close above USD 2,812 with the RSI at or above 63.5 (currently 53.5) would mean P&M are aligned to the buyside. Further resistance is at USD 2,853, and USD 2,866. The intraday is technically bearish based on lower lows, the RSI is still above the 50 level with the 4-hour EMA's well-spaced but starting to flatten suggesting we could still have buying support in the market, however the trend is showing signs that it is weakening.

Zinc

The futures continue to hold EMA support with price moving sideways since the 22/12. Intraday P&M are conflicting with price on the daily pivot point whilst the RSI is below its moving average. A close on the 4-hour candle above USD 3,522 with the RSI at or above 61.5 (currently 56) would mean intraday P&M are aligned to the buyside; likewise, a close below this level would mean it is aligned to the sell side. The trend is bullish, but momentum is weakening, upside moves above the USD 3,557 level will create a negative divergence with the RSI, not a sell signal it does warn that we have the potential for a momentum slowdown. However, corrective moves lower that hold at or above USD 3,394 will support a bull argument, below this level the futures will target the USD 3,316 fractal support. News on Bloomberg— (Dow Jones) -- 0505 GMT - Zinc prices may weaken this year, Fitch Solutions says. It raises its 2022 price forecast to \$2,900 a metric ton compared with its earlier \$2,550-a-ton estimate, keeping its bearish view on the industrial metal. The demand for zinc, mainly used in the production of galvanized steel, could weaken as Chinese steel-output growth slows, Fitch Solutions says. It says China's steel production may decline to an extent that the country flips from being a net importer of zinc to becoming a net exporter, thereby further easing the global market for the commodity. Resistance is at USD 3,536, USD 3,557, USD 3,594 with support at USD 3,459, USD 3,431, and USD 3,394

Nickel

The trend remains technically bullish with price making higher highs and higher lows supported by the RSI above 50. Having sold lower on the Asian open the futures held Fibonacci support, intraday price and momentum are aligned to the buy side. Upside moves above USD 20,820 have the potential to create a negative divergence with the RSI, not a sell signal it does warn of the potential for a momentum slowdown. Downside moves on the 4-hour candle that close below USD 20,636 with the RSI at or below 61 (currently 66) would mean P&M are aligned to the sell side; however corrective moves that hold at or above 20,212 will support a bull argument, below this level the futures will target the USD 19,900 fractal support. Resistance is at USD 20,820, USD 20,885, USD 20,993 with support at USD 20,636, USD 20,468, and USD 20,360.

Lead

The 4-hour EMA's are now flat indicating a lack of trend in the market, intraday price and momentum are conflicting with the RSI at 50 also neutral. Downside moves on the 4-hour candle that close below USD 2,291 with the RSI at or below 47.5 (currently 50) would mean P&M are aligned to the sell side; likewise, a close above this level would mean it is aligned to the buy side. Upside moves above USD 2,310 will further support a bull argument with price targeting the USD 2,334 and USD 2,344.5 resistance levels. Support is at USD 2,284, USD 2,276, and USD 2,269.