



# Base Morning Intraday Note

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## Copper

Iron ore led gains among industrial metals as China vows to use more monetary policy tools to spur the economy, brightening the outlook for raw materials demand. Futures in Singapore climbed over 3% to more than \$130 a ton, while base metals including nickel and copper continued their new year rally (Bloomberg). The futures remained supported with price continuing to hold above the USD 9,638 level, yesterday's downside move did make a lower low but failed to hold. The upside move in the futures is finding resistance at the weekly pivot at USD 9,774, meaning we have created a small two-day range. Intraday price and momentum are conflicting, a close above USD 9,694 with the RSI at or above 50 (currently 48.5) would mean price and momentum are aligned to the buy side. Likewise, a close below this level with the RSI at or below 45.5 would mean it is aligned to the sell side. The trend is neutral/bullish due to the depth of the pullback, upside moves above USD 9,778 would suggest resistance levels could be tested. Resistance is at USD 9,778, USD 9,827, USD 9,877 with support at USD 9,694, USD 9,630, and USD 9,520.

## Alu

The green-energy transition is poised to nearly triple India's consumption of aluminum by the end of the decade, according to an industry group. The South Asian nation, which is home to some of the most polluted cities on the planet, has pledged to zero out emissions by 2070. Decarbonization will drive demand for aluminum-intensive solar power infrastructure, and higher use of the metal in other industries, pushing up consumption to 10 million tons a year by 2030, according to the Aluminium Association of India (Bloomberg). The futures remain in a bullish trending environment supported by stable moving averages. The upside move yesterday made a new high, resulting in a second negative divergence, not a sell signal it does warn of the potential for a momentum slowdown. Intraday price and momentum are aligned to the buy side, downside moves that close on the 4-hour candle below USD 3,016 with the RSI at or below 58.5 (currently 61) would mean price and momentum are aligned to the sell side. However, corrective moves lower that hold at or above USD 2,971 will support a bull argument, below this level the futures will target the USD 2,937 fractal support. Resistance is at USD 3,043, USD 3,069, USD 3,086 we have support at USD 3,016, USD 3,001, and USD 2,988.

## Zinc

Like the rest of the base metals sector zinc remains supported with intraday price and momentum aligned to the buy side. However, price continues to move sideways with flat moving averages indicating a lack of trend in the market; downside moves that close on the 4-hour candle below USD 3,546 with the RSI at or below 47.5 (currently 54.5) would mean price and momentum are aligned to the sell side. The futures remain in the range created between the 7th and the 10th of January (USD 3,600 -USD 3,473), a directional bias should come from a breakout from this range. Resistance is at USD 3,600, USD 3,611, USD 3,626 we support that USD 3,546, USD 3,504, and USD 3,496.

## Nickel

Nickel is facing its biggest squeeze in more than a decade, with buyers paying huge premiums for near-term supplies as stockpiles slide. Cash contracts are now the most expensive since 2010 compared with those expiring a day later on the London Metal Exchange. Rising demand for the metal used in electric-vehicle batteries and concerns about exports from Indonesia are also helping keep prices near the highest since 2011 (Bloomberg). The trend is neutral bullish with intraday price and momentum conflicting. We draw attention to the daily technical where the RSI has traded to new highs, suggesting downside moves should be considered as countertrend; however, we have three days of rejection candles, two to the upside and one to the downside, price is finding support on the weekly pivot point at USD 21,948. This technical is bullish but there is indecision in the market as highlighted by the daily price action. A close on the 4-hour candle above USD 22,165 with the RSI at or above 61 (currently 59) would mean price and momentum are aligned to the buyside. Likewise, downside moves that close below this level with the RSI at or below 56.5 would mean it is aligned to the sell side. Upside moves above USD 22,465 would warn that the USD 22,935 high could be tested, below USD 21,710 the intraday technical is bearish. Bullish/neutral, resistance is at USD 22,465, USD 22,606, USD 22,782 with support at USD 21,950, USD 21,710, and USD 21,554.

## Lead

Yesterday we highlighted the bearish Harami on the daily technical warning we have the potential to enter a corrective phase, this has resulted in the futures moving lower. The intraday technical is now bearish having traded below the USD 2,330 fractal support, intraday price and momentum are aligned to the sell side. A close on the 4-hour candle above USD 2,332 with the RSI at or above 58 (currently 48.5) would mean price and momentum are aligned to the buyside. The intraday technically bearish but the daily technical remains in bullish territory, key support is at USD 2,304; downside moves below this level will mean the daily technical goes from bullish, to neutral/bullish. Resistance is at USD 2,332, USD 2,340, USD 2,348 with support at USD 2,316, USD 2,288, and USD 2,278.