



Base Morning Intraday Note

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Copper

Copper prices were slightly lower in early trade, as risk-off sentiment weighs amid uncertainty surrounding the outcome of the Federal Reserve meeting, ING says. ING also expects copper supply to rise, as the risk of mine supply disruptions ease after a strike was avoided at Teck's Highland Valley Mine. The three-month forward LME copper contract is down 0.2% at \$9,782.50 a ton (Bloomberg). The downside move in the futures yesterday held above the USD 9,630 support, resulting in the futures moving higher. Price closed higher but remains corrective, a close on the daily chart above USD 9,837 will indicate that momentum is improving based on price. However, upside moves that fail at or below USD 9,927 will remain vulnerable to further tests to the downside, above this level the futures will target the USD 9,978 and USD 10,065 resistance levels. Intraday price and momentum are aligned to the buy side, a close on the 4-hour candle below USD 9,784 with the RSI at or below 46 (currently 49) would mean P&M are aligned to the sell side. The trend remains bullish/neutral with support at USD 9,784, USD 9,673, and USD 9,630.

Alu

Aluminium extended gains above \$3,000 a metric ton as traders weighed supply risks from a potential Russian invasion of Ukraine and wait for the Federal Reserve's first policy-setting meeting of the year. The metal rose in Asia after closing 2.1% higher on Tuesday as net bullish bets were boosted on the London Metal Exchange. Russia is a major producer of aluminium and investors are getting twitchy that exports from the country could be hit by supply-chain disruptions or sanctions in the event of military action (Bloomberg). The futures proved to be resilient on Monday having held the moving average support, resulting in price moving higher yesterday and on the open today. Technically bullish, intraday price and momentum are aligned to the buy side, a close on the 4-hour candle below USD 3,074 with the RSI at all below 54 (currently 64) would mean P&M are aligned to the sell side. Above USD 3,123 the futures will create a negative divergence with the RSI, warning of the potential for a momentum slowdown, further resistance is at USD 3,213 and USD 3,277. Support is at USD 3,074, USD 3,066, and USD 3,047; corrective moves lower that hold at or above USD 3,047 will support a bull argument, below this level the futures will target the USD 3,009 fractal support.

Zinc

The intraday technical remains bearish, with price consolidated for the last two sessions. Intraday price and momentum are aligned to the sell side, a close on the 4-hour candle above USD 3,590 with the RSI at or above 53.5 (currently 49.5) would mean price and momentum are aligned to the buy side; However, upside moves that fail at or below USD 3,641 will remain vulnerable to further tests to the downside, above this level the futures will be considered as neutral/bearish with price potentially targeting the USD 3,681.5 high. Likewise, a close on the daily candle above USD 3,610 will warn that momentum is improving based on price. Resistance is at USD 3,590, USD 3,609, USD 3,623 with support at USD 3,564.5, USD 3,550, and USD 3,504.

Nickel

Nickel edged lower as traders weigh prospects for new supply from the world's top producer against falling stockpiles. The metal has retreated from a decade-high reached last week as China's Tsingshan Holdings Group Co. started shipping its first cargo of nickel matte from its operations in Indonesia. It follows a rapid surge in prices earlier this month when the global market suffered its tightest squeeze since 2007 on soaring demand from the electric-vehicle sector and depleted inventories (Bloomberg). Sideways action in the futures yesterday with price holding just above the USD 21,950 fractal support, below this level the intraday technical is bearish. Price is above the daily pivot point, but the RSI is below its moving average, meaning intraday price and momentum are conflicting. A close on the 4-hour candle above USD 22,318 with the RSI at or above 52.5 (currently 48) would mean P&M are aligned to the buy side. likewise, a close below this level would mean it is aligned to the sell side. The trend is bullish/neutral, but price is now below the longer-term moving averages which have started to flatten, indicating a lack of trend in the market. Resistance is at USD 22,869, USD 23,152, USD 23,535; upside moves that fail at or below the tertiary resistance remain vulnerable to further tests to the downside, above this level the futures will target the USD 24,350 fractal resistance. Support is at USD 22,318, USD 21,955, and USD 21,715.

Lead

The trend is technically bearish having made a lower low, intraday price and momentum aligned to the sell side. Downside moves below USD 2,328 will target the USD 2,316.5 fractal support, further support can be found at USD 2,272. The longer period moving averages (30-60) are now flat and compressed, indicating a lack of trend in the market, warning we could potentially be transitioning into a bearish phase. Upside moves on the 4-hour candle that close above USD 2,340 with the RSI at or above 52 (currently 46.5) would mean P&M are aligned to the buy side. However, Upside moves that fail at or below USD 2,367 will remain vulnerable to further tests to the downside, above this level the intraday technical is considered as neutral/bearish. Resistance is at USD 2,340, USD 2,350, and USD 2,358.