



Base Morning Intraday Note

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Copper

The futures moved higher yesterday with price trading up to the USD 9,988 resistance after China injected more money in the markets, which seems to have supported base prices (CNBC). The technical remains neutral/bullish due to the depth of the pullback with intraday price and momentum aligned to the buy side. A close on the 4-hour candle below USD 9,935 with the RSI at or below 48 (currently 54) would mean that price and momentum are aligned to the sell side. Downside moves below USD 9,780 will target the USD 9,720 fractal support, below this level the intraday technical is considered as bearish. Upside moves that fail at or below USD 10,123 remind vulnerable to further tests to the downside, above this level the futures will target the USD 10,289 high. Resistance is at USD 9,988, USD 10,045, and USD 10,123.

Alu

Aluminum hovered near the strongest level since 2008 as traders assessed the impact of an easing of geopolitical tensions over Ukraine and the persistent pressure of soaring energy costs on global supplies. Russian President Vladimir Putin said he hopes for a diplomatic solution to tensions with the U.S. and its allies and announced a partial pullback of thousands of troops near the Ukrainian border. The news helped lift markets broadly, and eased concerns over possible disruptions to metal supplies from Russia in the event of military action or sanctions (Bloomberg). The technical term for hover is consolidation, which is what we're seeing in market, longer term moving averages are starting to flatten with price now starting to trade alongside the average. Unsurprisingly, intraday price and momentum is conflicting as the daily pivot levels have also started to flatten, leaving the market vulnerable to false signals. The intraday technical is bearish based on the lower low; However, intraday Elliott wave analysis suggests we are still vulnerable to further tests to the upside, above USD 3,284 the futures will target the USD 3,345 high. Resistance is at USD 3,220, USD 3,256, USD 3,284 with support at USD 3,155, USD 3,128, and USD 3,101.

Zinc

LME zinc hit the lowest level at \$3,568/mt in the trading on Tuesday, and closed at \$3,599/mt, up \$23/mt or 0.64%. The zinc inventory across LME-listed warehouses dropped by 800 mt to 150,725 mt. LME zinc is expected to trade between \$3,560-3,610/mt today, amid the tension between Ukraine and Russia (SMM). Intraday price and momentum are conflicting whilst the technical remains bearish, upside moves that fail at or below USD 3,629 remain vulnerable to further tests to the downside, above this level the future's will target the USD 3,661 fractal resistance. Downside moves on the 4-hour candle that close below USD 3,592 With the RSI at or below 44 (currently 47) will mean price and momentum are aligned to the sell side. Likewise, a close above this level with the RSI at or above 48.5 will mean it is aligned to the buy side. Support is at USD 3,592, USD, 3,568, and USD 3,537.

Nickel

The futures did move higher yesterday putting price above the USD 23,481 resistance, meaning the intraday technical is now bearish/neutral. The futures are above the daily pivot point (USD 23,252) but the RSI does not have the moving average support, meaning intraday price and momentum are conflicting; a close above this level on the 4-hour candle with the RSI at or above 55.5 (currently 55) would mean price and momentum are aligned to the buy side. Likewise, a close below this level with the RSI at or below 51.5 would mean it is aligned to the sell side. upside moves above the USD 23,850 fractal resistance will be technically bullish, however we do have the potential to create a negative divergence on a new high. Resistance is at USD 23,618, USD 23,850, USD 24,142 with support at USD 23,252, USD 23,155, and USD 23,028. Corrective moves lower the hold above the USD 23,028 level will support a bull argument.

Lead

Yesterday we noted that there were warning signs that the futures could potentially enter a corrective wave soon, however price has since moved, the negative divergence with the RSI has now failed. The intraday technical remains bullish with price trading above the USD 2,318 resistance on the daily technical, meaning this has now gone from bearish to bearish/neutral. Downside moves on the 4-hour candle that close below USD 2,301 with the RSI at or below 56.5 (currently 62.5) will mean price and momentum are aligned to the sell side, corrective moves lower that hold at or above USD 2,270 will support a bull argument. Resistance is at USD 2,340, USD 2,351, USD 2,362 with support at USD 2,301, USD 2,291, and USD 2,282.