



# Base Morning Intraday Note

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## Copper

As noted in the close report, the futures followed the rest of the base complex higher yesterday but failed to hold. The subsequent downside move did break the USD 9,780 fractal support before rallying of its lows into the close. This technical remains neutral/bullish with price in flat moving averages, price did manage expand upside resistance and downside support in the range to USD 10,076.5 – USD 9,778. A close on the 4-hour candle outside of this range could give some directional bias, resistance is at USD 9,988, USD 10,076.5, USD 10,123 with support at USD 9,778, USD 9,720, and USD 9,680. Neutral

## Al

The Biden administration is holding off for now on sanctions against Russia that could disrupt global aluminium supplies, according to people familiar with the matter, as the market grapples with already severe shortages of the metal. White House officials met with industry representatives in recent weeks and told them there was no U.S. intention for now of levying sanctions that would hit Russian aluminium, the people said, asking not to be named because the discussions weren't public. Benchmark aluminium prices in London retreated from record highs after Bloomberg News reported the discussions. With no sanctions in place the futures traded below the USD 3,318 support yesterday, meaning the bullish technical has a neutral bias, below USD 3,252 the intraday technical is bearish. Upside moves on the 4-hour candle that close above USD 3,377 with the RSI at or above 63.5 (currently 54) will mean price and momentum will be aligned to the buyside. Upside moves that fail at or below USD 3,418 will leave the technical vulnerable to further tests to the downside, above this level the futures will target the USD 3,480 high. Technically neutral/bullish, the lack of sanctions at this point means buying intensity has dropped, suggesting support levels could be tested.

## Zinc

Like the rest of the base complex yesterday the Zinc futures moved higher yesterday resulting in the futures trading above the USD 3,661 fractal resistance, meaning the futures are now bullish. With the conflict currently contained to the Ukraine and NATO's pledge to not put boots on the ground, the buying intensity has subsided, resulting in the futures entering a corrective phase. Intraday price and momentum are conflicting with price now testing the USD 3,597 support, below this level the technical will have a neutral bias, however only below USD 3,563.5 is the technical bearish. Upside moves the close on the 4-hour candle above USD 3,613 with the RSI at or above 53 (currently 50) will mean price and momentum are aligned to the buyside. Corrective moves higher that fail at or below the USD 3,641 level will support a bear argument, warning the futures are vulnerable to further tests to the downside. Technically bullish but testing key support, resistance is at USD 3,613, USD 3,641, USD 3,663 with support at USD 3,597, USD 3,584, and USD 3,563.

## Nickel

There was a pattern across base yesterday. A panic to cover, or speculative longs, initially pushed price higher when the news of the invasion broke out; however, this was a reactionary move as the futures had already priced in the potential for a full-scale invasion since the 15/02. Within hours market speculators were exiting the market aggressively when it became obvious the futures were not going to go on a run. Price retreated below the USD 24,250 fractal support, meaning the intraday technical had entered bear territory with the futures trading below, but closing above the 60-period EMA. Upside moves on the 4-hour candle that close above USD 24,626 with the RSI at or above 62 (currently 48) will mean P&M are aligned to the buyside; however, corrective moves higher that fail at or below the USD 25,175 will leave the futures vulnerable to a test to the downside. Although technically bearish based on the lower low the intraday Elliott wave cycle would suggest that there is still the potential for another test to the upside, providing we hold above USD 23,812 level, below it the longer-term technical is neutral. Resistance is at USD 24,626, USD 24,866, USD 25,175 with support at USD 23,812, USD 23,422, and USD 22,760. A point of note, the Elliott wave cycle is a psychological footprint of the market, generally it seems to perform during times of conflict, however cycles can and do fail. This is an invasion on European soil by a world superpower on an internationally recognised sovereign country, during the middle of an energy and commodity crisis. Psychology can change quickly, the cycle is used as a guide, it is not an absolute!

## Lead

For the lack of repeating myself, price moved higher before correcting, the intraday technical is neutral/bullish with price and momentum conflicting. Downside moves below USD 2,326 will create a lower low and be considered bearish, upside moves on the 4-hour candle that close above USD 2,348 with the RSI at or above 58.5 (currently 54.5) will mean price and momentum are aligned to the buy side. Likewise, a close below this level will mean it is aligned to the sell side. The RSI is above 50 with the stochastic in oversold territory, momentum is vulnerable to a test to the upside providing the RSI holds above 50. Resistance is at USD 2,370, USD 2,391, USD 2,411 with support at USD 2,348, USD 2,326, and USD 2,305.