



Base Morning Intraday Note

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Copper

Commodity prices soared the most since 2009 as Russia's invasion of Ukraine threatens key supplies of energy, crops and metals that were already tight as major economies emerged from the pandemic. The Bloomberg Commodity Spot Index, which tracks 23 futures contracts, climbed 4.1% on Tuesday. The gauge has more than doubled from a four-year low reached in March 2020, during the early days of the health crisis. The sweeping sanctions on Russia from the U.S., Europe and Asia, as well as surging costs to send ships into the war zone, are bringing trade deals with the country to a virtual standstill. Russia is a major supplier of crude, natural gas, grains, fertilizers, and metals such as aluminum (Bloomberg). The futures traded above the USD 10,076.5 resistance into the close yesterday meaning we now target the USD 10,123 Fibonacci retracement resistance; above this level we target USD 10,184 and USD 10,289. A small sell off on the Asian open means intraday price and momentum are conflicting, a close on the 4-hour candle above USD 10,017 will mean it is aligned to the buy side. Likewise, a close below this level with the RSI at or below 50 (Currently 55.5) will mean it is aligned to the sell side. Corrective moves lower that hold at or above USD 9,894 will support a bull argument, below this level the futures will target the USD 9,794 low. Technically bullish, but not supported by its moving averages yet as they remain flat, with a rising commodity complex we expect prices to remain supported.

Alu

Aluminum traded near an all-time high, as the escalation in tensions over the war in Ukraine intensified the threat of commodity supply disruptions from Russia and triggered a plunge in United Co. Rusal International PJSC shares. Russia's invasion of Ukraine appears to be entering a more brutal stage, while international pressure is ramping up on Moscow. The U.S. plans to close its airspace to Russian airlines, and the U.K. announced new sanctions on Russia and Belarus (Bloomberg). The futures had a neutral bias yesterday, but the longer-term moving averages were well spaced suggesting the trend was stable. Price is again rising higher with a near-term target of USD 3,525, above this level we target the USD 3,576 and USD 3,617 levels. A close on the 4-hour candle below USD 3,447 with the RSI at or below 57.5 (currently 62) will mean P&M are aligned to the sell side; however, corrective moves lower that hold at or above USD 3,403 will support a bull argument, below this level price will target the USD 3,359.5 fractal support. Technically bullish.

Zinc

Like the rest of the base/commodity complex price continues to move higher on increased sanctions and the increased attacks by Russia on the Ukraine. The upside move is making new highs with the current bull wave exactly 161.8% the length of the previous wave, supported by the RSI which is making new highs. Downside moves will be considered as countertrend, corrective moves lower that hold at or above USD 3,708 will support a bull argument, below this level the technical will have a neutral bias. A close on the 4-hour candle below USD 3,749 with the RSI at or below 59.5 will mean P&M are aligned to the sell side. Resistance is at USD 3,830, USD 3,850, USD 3,874 with support at USD 3,749, USD 3,737, and USD 3,708. Technically bullish.

Nickel

News on Bloomberg at 7.11 a.m. U.K time is *CHINA MOVES TO SECURE COMMODITY SUPPLIES ROCKED BY UKRAINE WAR. This would suggest that China will be looking to pay up and stockpile commodities suggesting higher prices will continue in the near-term. We had previously noted that there would be another bull wave to come, and this has been the case. Price is now nearing the USD 25,833 high; above this level the futures will target USD 26,217 and USD 26,847. A close on the 4-hour candle below USD 24,998 with the RSI at or below 53.5 (currently 62) will mean P&M are aligned to the sell side, Further support is at USD 24,673 and USD 24,308. Technically bullish.

Lead

Price is following the Base complex higher, the futures are bullish and in trend with price now above the USD 2,411 resistance levels. A close on the 4-hour candle below USD 2,404 with the RSI below 59 (currently 62) will mean P&M are aligned to the buy side. However correcting moves lower that hold at or above USD 2,358 will support a bull argument, below this level the futures will have a neutral bias. Resistance is at USD 2,440, USD 2,477, USD 2,523 with support at USD 2,404, USD 2,384, and USD 2,373. Technically bullish.