



Base Morning Intraday Note

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Copper

Copper spiked to a record in London as soaring energy prices and fears of supply shocks rattled commodities markets amid war in Ukraine. The White House said it's talking to allies about a possible oil embargo on Russia, triggering a spike in oil prices and ratcheting up geopolitical risks after Russia's attack. Higher energy prices mean steeper costs for manufacturers including metals smelters, adding to supply threats as commodity traders grapple with sanctions on Moscow (Bloomberg). Alongside the bulk of the commodity complex the futures have moved higher this morning with price trading up to USD 10,345. Price is above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buy side, a close on the 4-hour candle below USD 10,547 with the RSI at or below 66 (currently 72) will mean price and momentum are aligned to the sell side. However, corrective moves lower that hold at or above USD 10,151 will support a bull argument, below this level the technical will have a neutral bias. The intraday technical is on a bullish Elliott wave 3, meaning corrective moves lower should be considered as countertrend. Resistance is at USD 10,800, USD 10,921, USD 11,073 with support at USD 10,547, USD 10,443, and USD 10,319.

Alu

Russia's En+ Group International (ENPG.ME) is planning to transfer the international assets of aluminium group United Co. Rusal International (RUAL.ME) into a new company, Bloomberg News reported March 4, citing undisclosed sources. The assets will be carved out into a new company, which will be owned by the aluminium and power producer's managers and other investors and hold alumina, bauxite, and aluminium assets worldwide (Bloomberg). Like copper rising energy prices have resulted in a strong upside move on the Asian open with the futures trading as high as USD 4,000. Price is above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buy side. A close on the 4 – hour candle below USD 3,823 with the RSI at or below 73.5 (currently 82) will mean price and momentum are aligned to the sell side; however, corrective moves lower that hold at or above USD 3,573 will support a bull argument, below this level the technical will have a neutral bias. The futures are on a bullish Elliott wave 3 meaning corrective moves lower should be considered as countertrend. Resistance is at USD 4,069, USD 4,216, USD 4,277 with support at USD 3,823, USD 3,757, and USD 3,680. Technically bullish.

Zinc

We have a recurring theme on the Asian open, the futures have traded to new highs on the back of the Russian invasion stoking supply fears. Having traded to a high of USD 4,248 we have seen an intraday technical pullback with a potential bearish rejection candle forming on the intraday 4-hour candle; however, this candle remains open and could still close higher. Price is above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buy side. Momentum indicators continue to make new highs indicating that we are on a bullish wave 3, meaning downside moves should be considered as countertrend. A close on the 4-hour candle below USD 4,046 with the RSI at or below 72.5 (currently 81) will mean price and momentum are aligned to the sell side; corrective moves lower that hold at or above USD 4,019 will support a bull argument, below this level the technical will have a neutral bias. Resistance is at USD 4,276, USD 4,340, USD 4,407 with support at USD 4,125, USD 4,080, and USD 4,046. Technically bullish.

Nickel

Nickel rocketed more than 30% higher -- its second-biggest intra-day gain ever -- as a short-squeeze supercharged a powerful rally triggered by fears around supplies from Russia. The metal used in stainless steel and lithium-ion batteries added more than \$8,000 in a matter of hours to trade above \$37,000 a ton for the first time since 2007. The nickel market was already suffering tightness and low inventories before Russia's invasion of Ukraine (Blomberg). The upside move in the futures this morning means the trend has gone parabolic, leaving it vulnerable to a technical pullback on the intraday. Like the rest of the base complex, we are on a bullish wave 3, meaning downside moves should be seen as against the trend. Intraday P&M are aligned to the buy side, a close on the 4-hour candle below USD 28,821 with the RSI at or below 73 (currently 89) will mean P&M are aligned to the sell side; however, we also have a key support level at USD 28,626, corrective moves that hold at or above this level will support a bull argument. Resistance is at USD 37,467, USD 38,082, USD 38,900 with support at USD 32,490, USD 30,850, USD 28,626. Technically bullish, this current phase of the trend is parabolic which in theory means we will need to see some form of a corrective pullback soon on the intraday.

Lead

The upside move on the open means that the divergences we had previously been witnessing have now failed, supporting a bull argument. The RSI and MACD are making new highs indicating we are seeing wave extension on the Elliott wave cycle, meaning downside moves will be considered as countertrend. Price is above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buy side. A close on the 4-hour candle below USD 2,448 with the RSI at or below 61 (currently 72) will mean it is aligned to the sell side. Corrective moves lower that hold at or above USD 2,387 will support a bull argument, below this level the pullback is considered as deep and the technical phase neutral. Resistance is at USD 2,523, USD 2,542, USD 2,563 with support at USD 2,448, USD 2,436, and USD 2,415.