



Base Morning Intraday Note

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Copper

When we look at the copper market over the last 8 days, we have seen a classic mean reversion play, the futures have rallied around USD 900 above the longer period daily EMA's (30-60) before pulling back, price is now trading on the EMA band. If we look at the intraday technical, we are bullish but with a neutral bias. We highlighted on the report yesterday our concerns about the psychological footprint in the market (Elliott wave) and the potential for it to fail. Copper did hold the support bands yesterday before closing over USD 100 higher, however the weekly candle is showing a rejection candle very similar to that of the 22/10/22. If we do not move higher today, we could see the futures follow the same pattern, one of consolidation with price trading around the 30-period EMA (We are a few hundred USD above the EMA at this point). The geopolitical situation is now obviously different, but that pattern looks remarkably similar, it maybe that we will see some substantial movements over the coming weeks, but it is something to be aware of. Intraday price and momentum are aligned to the buy side, a close on the 4-hour candle below USD 10,092 with the RSI at or below 44.5 (currently 49) will mean it is aligned to the sell side. The upside move yesterday failed to test Fibonacci support, corrective moves higher that fail at or below USD 10,486 remain vulnerable to further tests to the downside. Resistance is at USD 10,259, USD 10,355, USD 10,486 with support at USD 10,092, USD 10,018, and USD 9,794. Bullish neutral, the weekly candle is a concern but remains open.

Alu

Aluminium gained after the U.K. announced sanctions on Russian individuals including billionaire Oleg Deripaska. Meanwhile, Rio Tinto Group is planning to stop shipments to a Russian-owned alumina plant. Deripaska has a stake in En+ Group International PJSC, which is the parent company of United Co. Rusal International PJSC, one of the world's top aluminium producers. The sanctions imposed by the U.K. don't technically hit Rusal. Rio Tinto plans to end deals with a Rusal refinery in Ireland that's a key supplier to Europe's aluminium industry, Bloomberg News reported on Thursday. The move in in the intraday candle is near identical to that of the copper, price moves higher but failed to test Fibonacci resistance levels with price and momentum aligned to the buy side. The weekly footprint is different, we still have a large bearish candle, but the futures were already in a trending environment, suggesting a technical pullback rather than a potential consolidation phase. Back to the intraday, a close on the 4-hour candle below USD 3,429 with the RSI at or below 43.5 (currently 48) will mean price and momentum are aligned to the sell side. Resistance is at USD 3,596, USD 3,687, USD 3,811 with support at USD 3,429, USD 3,314, and USD 3,108. The technical is bullish but with a neutral bias due to the deep pullback, with the daily futures testing and rejecting the longer period EMA's that remain well spaced, indicating the daily trend is still stable.

Zinc

This week will go down in history for its unprecedented volatility due to the base futures being squeezed. In theory the futures are on a corrective wave 4, will this turn out to be correct? Pattern analysis would suggest it will, whilst the psychological footprint is vastly different due to the short squeeze. Technically we are neutral/bullish with price consolidating around the USD 3,834 support, intraday price and momentum are conflicting. A close on the 4-hour candle below USD 3,874 will mean price and momentum are aligned to the sell side; likewise, a close above this level with the RSI at or above 52 (currently 48) will mean price and momentum are aligned to the buy side. Neutral/bullish, resistance is at USD 4,209, USD 4,340, USD 4,518 with support at USD 3,834, USD 3,785, USD 3,546.

Nickel

Market closed.

Lead

The futures tested the USD 2,350 downside support yesterday which continues to hold, intraday price and momentum are conflicting as price is trading above the daily pivot (USD 2,318) but the candle is still open. A close on the 4-hour candle below this level will mean it is aligned to the sell side, a close above this level with the RSI at or above USD 2,381 with the RSI at or above 51 (currently 41) will mean it is aligned to the buy side. Resistance is at USD 2,483, USD 2,525, USD 2,581 with support at USD 2,350, USD 2,305, and USD 2,264. Technically bullish with a neutral bias.