



# Base Morning Intraday Note

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## Copper

As of Friday March 18, SMM copper inventory across major Chinese markets decreased 34,400 mt from Monday to 172,500 mt, up 73,800 mt from the pre-CNY holiday level of 98,700 mt and down 43,500 mt from last Friday March 11. Destocking this week was faster than that in last week, which showed that the turning point of domestic inventory has appeared. Compared with Monday's data, inventories across China decreased (Bloomberg). The dynamics of the intraday trend are now starting to change, price remains below the USD 10,337 resistance but the upside move in the intraday is now greater in time and price than the previous upside move on the 10/03/22. This signifies that buying support is increasing, intraday price and momentum are aligned to the buy side, a close on the 4-hour candle below USD 10,205 with the RSI at or below 49 (currently 55) will mean it is aligned to the sell side. However, corrective moves lower that hold at or above USD 9,986 will support a bull argument, below this level market sellers will look to target the USD 9,820 fractal support. Resistance is at USD 10,337, USD 10,486, USD 10,589 with support at USD 10,205, USD 10,122, and USD 10,065.

## Alu

Aluminum rebounded from its lowest in about a month as China's spreading Covid-19 outbreaks start to disrupt logistics in the world's top market. Nickel prices tumbled by the maximum allowed in London as the market reopened in a messy sequence of false starts. Some aluminum smelters are having trouble receiving raw materials like alumina, or else shipping alumina ingot, according to researcher Shanghai Metals Market. That's already led to a drop in inventory levels in major consumption hubs, it said. Logistical issues and robust export demand are tightening the Chinese market, said Wang Rong, an analyst with Guotai Junan Futures Co. Exports from China rose 23% in the first two months of this year, and traders have been busy shipping out more after a recent surge in global prices (SMM). The upside move in the futures are above the USD 3,447 resistance, meaning the recent bear move has been neutralized, the futures will now target the USD 3,557 fractal resistance at USD 3,557, above this level the intraday technical will have a bullish bias. Downside moves on the 4-hour candle that close below USD 3,374 with the RSI at or below 43 (currently 45) will mean price and momentum are aligned to the sell side; however, corrective moves lower that hold at or above USD 3,301 will support a bull argument. The longer-term Elliott wave cycle is bullish with a neutral bias, the break in the USD 3,447 resistance would imply buy side support is increasing. Resistance is at USD 3,490, USD 3,564, USD 3,657 with support at USD 3,368, USD 3,347, and USD 3,301.

## Zinc

Technically neutral with price moving sideways, all EMA's are flat whilst the RSI is at 50. The longer-term technical remains bullish with a neutral bias. We are seeing small rises in the daily pivot point but again, these remain relatively flat, so are not giving much of a directional bias. Price is in a range between USD 3,939 and USD 3,730.

## Nickel

The London Metal Exchange said it would allow price moves of up to 12% in nickel after futures plunged by the maximum allowed for a second day, as the market resets in fits and starts from last week's historic short squeeze.

Prices dropped by the previous 8% limit on Thursday, after another glitchy start to trading that left brokers stunned as the LME was forced to delay the open. Nickel futures on the exchange have now dropped 58% from the high reached in chaotic trading on the morning of March 8, but only a handful of contracts have traded and there are still effectively no buyers at the limit-down price of \$41,945 a ton (Bloomberg).

## Lead

The futures remain technically bearish having previously traded below the base of the Elliott wave 3. The futures are following copper and Ali higher on the open supported by intraday price and momentum that is aligned to the buy side. A close on the 4-hour candle below USD 2,259 with the RSI at or below USD 38.5 (currently 49) will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 2,371 remain vulnerable to further tests to the downside, above this level we target the USD 2,437 fractal resistance. Technically bearish, we are seeing price move higher having consolidated for the last few days making USD 2,371 a key level to follow. Resistance is at USD 2,311 2,336, USD 2,371 with support at USD 2,259, USD 2,220, USD 2,161.