



Base Morning Intraday Note

info@freightinvestor.asia | freightinvestorservices.com | (+65) 6535 5189

Copper

As of Friday March 25, SMM copper inventory across major Chinese markets decreased 13,800 mt from Monday to 148,800 mt, down 23,700 mt from last Friday March 18. Destocking this week was slower than that in last week. Compared with Monday's data, inventories across China decreased, only the inventory in Tianjin increased (SMM). The futures traded above the USD 10,486 resistance in the E.U morning session, meaning the longer-term technical has a bull bias. The afternoon session however saw price briefly drop below the USD 10,287 support, indicating the near-term technical although bullish has a neutral bias. The corrective move lower has held at the longer period EMA's (30-60) which have started to separate, suggesting we are potentially entering a trending environment. Intraday price and momentum are conflicting, a close on the 4-hour candle above USD 10,369 with the RSI at or above 59 (currently 55) will mean price and momentum are aligned to the buyside. Likewise, a close below this level will mean it is aligned to the sell side. Technically bullish with a neutral bias, resistance is at USD 10,486, USD 10,589, USD 10,764 with support at USD 10,365, USD 10,340, and USD 10,287.

Alu

United Co. Rusal International PJSC, the huge aluminum producer fighting blow-back from Russia's war in Ukraine, is getting some help from traders in China to keep its smelters running. Some 30,000 tons of alumina -- used to make aluminum metal -- have been loaded onto two vessels headed for Siberia after leaving China in recent weeks, according to traders familiar with the matter. The relatively small amount is to test whether the cargoes face any logistics issues or problems with sanctions, with more ready to ship if all goes well, said the traders, who asked not to be named because the matter is private (Bloomberg). Having risen on the Asian open yesterday, the futures spent the day in a corrective phase with price trading below the USD 3,567 support, meaning the futures now have a bearish bias. Intraday price and momentum are aligned to the sell side. Upside moves that close on the 4-hour candle above USD 3,622 with the RSI at or above 61 (currently 53.5) will mean price and momentum are aligned to the buyside. The longer period EMA's are still quite compressed indicating the futures will need to move higher for the trend to stabilise at this point. Downside moves below USD 3,478 will create a lower low meaning the technical is bearish; likewise, upside moves above USD 3,742 will create a higher high, putting the technical back in bull territory. Resistance is at USD 3,622, USD 3,847, USD 3,942 with support at USD 3,534, USD 3,478, and USD 3,406. Technically neutral.

Zinc

It is too early to tell if the upside breakout will signal a longer-term bull run at this point. The initial upside move has found resistance at USD 4,184 resulting in a corrective move lower, intraday price and momentum are conflicting at this point. If the downside moves can hold above the previous resistance zone (USD 39,66.5 – USD 3,939) then it will support a bull argument, if we start to close below these levels then we have the potential to re-enter a neutral environment. A close on the 4 – hour candle above USD 4,060 with the RSI at or above 60 (currently 57) will mean price and momentum are aligned to the buyside; likewise, a close below this level will mean it is aligned to the sell side. Resistance is at USD 4,195, USD 4,320, USD 4,504 with support at USD 4,029, USD 3,976, and USD 3,966.

Nickel

It really is a case of limit up or limit downs at the moment in the futures over the last few days. Technically bullish with price and momentum aligned to the buy side. The futures are around 9% higher today but volumes remain light, it looks like it will take a while for the market to find its feet again. A close below USD 36,190 on the 4-hour candle with the RSI at or below 48 will mean price and momentum are aligned to the sell side.

Lead

Like the rest of the base complex, we witnessed a corrective pullback below key support yesterday warning the technical remains weak. Price and momentum are conflicting, a close on the 4-hour candle above USD 2,324 with the RSI at or above 57 (currently 54) will mean it is aligned to the buy side, if we close below this level, it will be aligned to the sell side. Likewise, close on the 4-hour candle above USD 2,363 will further support a bull argument and suggest the USD 2,389 fractal resistance will be tested, further resistance is at USD 2,403 and USD 2,450. Downside moves that close below USD 2,281 will warn we have the potential to enter a neutral environment once again. Support is at USD 2,324, USD 2,281, and USD 2,230.50.