



Base Morning Intraday Note

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Copper

Top-20 brokers on the Shanghai Futures Exchange registered aggregate net-short positions of 7,510 copper contracts across front 4 months today, according to data on the exchange's website. Net-short aluminium positions amounted to 2,993 contracts. (Bloomberg). The futures have opened weaker in the Asian session with price now seeing some follow through from the bearish rejection candle on the 30/03/22. Intraday price and momentum are aligned to the sell side with price trading below the longer-period EMA band on the intraday chart. A close on the 4-hour candle above USD 10,359 with the RSI at or above 55 (currently 47) will mean price and momentum are aligned to the buy side; however, upside moves above the USD 10,320 level will put price above the weekly pivot level, warning of buying support in the market. Price is breaking the intraday EMA band but remains above the daily support band, downside moves below USD 10,166 will be below the bullish support candle from the 28/03 warning the daily support band (USD 10,183-USD 10,0380) could be tested, however price is not considered a technical sell into the band. Resistance is at USD 10,320, USD 10,359, and USD 10,425.

Alu

We had an inside day candle pattern on the futures for the last two days meaning price within the range from the 29/03. With market participants increasing short positions in Asia, it looks like the USD 3,404.50 support could be tested, in theory downside moves below this level will be considered as bearish, however this will be into the daily EMA support band, meaning it will not be considered a technical sell at this point. On the intraday chart price and momentum are aligned to the sell side with flat moving averages indicating a lack of trend in the market. A close on the 4-hour candle above USD 3,412 with the RSI at or above 49 (currently 44) will mean price and momentum are aligned to the buy side. The daily technical is bullish but the inside days would suggest a neutral bias, resistance is at USD 3,660, USD 3,742, USD 3,756 with support at USD 3,404.50, USD 3,331, and USD 3,219.

Zinc

Shanghai's strict lockdowns are threatening production at hundreds of factories in nearby industrial regions that rely on a steady flow of metal from China's top commodities trading hub. Trucking of base metals like copper and zinc in and out of warehouses in Shanghai, including those in the duty-free bonded zones, largely ground to a halt this week after the city's government imposed tight curbs on the movement of people and vehicles, according to traders and logistics managers. The financial and commercial centre on China's east coast ordered a two-stage lockdown to fight a wave of omicron cases. That's snarled up logistics by creating a shortage of truck drivers and warehouse staff, the people said (Bloomberg). A Doji star on the daily chart signalled indecision in the market yesterday after price closed USD 3.5 below the opening price. The intraday technical remains bullish with price above the longer period EMA's (30-60) which remains well spaced, implying the intraday trend is stable; however, intraday price and momentum are conflicting. A close on the 4-hour candle above USD 4,178 with the RSI at or above 61 (currently 58.5) will mean price and momentum are aligned to the buy side; likewise, a close below this level with the RSI at or below 57 will mean it is aligned to the sell side. Upside moves above USD 4,250 will target the USD 4,320 level. Support is at USD 4,131, USD 4,091, and USD 4,064.

Nickel

China should speed up the establishment of a reserves system for strategic minerals like nickel to ensure supply security, the Economic Daily reports, citing industry experts. The recent nickel price fluctuations in Shanghai and London have hampered businesses' raw material purchases and hedging activities (Bloomberg). The futures remain neutral with limited price action on low volume.

Lead

The futures traded to a high of USD 2,434 yesterday, meaning the USD 2,437 resistance remains intact. The futures remain bearish with a neutral bias. Near-term price action is bullish on the daily technical but price action over the last few days warns of potential exhaustion within the current move, corrective moves lower that hold at or above USD 2,299 will support a bull argument on the daily tech, below this level the futures will look to test the USD 2,230.50 fractal support. On the intraday technical price and momentum are aligned to the sell side, a close on the 4-hour candle above USD 2,405 with the RSI at or above 64 (currently 58) will mean price and momentum are aligned to the buyside. Resistance is at USD 2,405, USD 2,437, USD 2,450 with support at USD 2,372, USD 2,355, and USD 2,331.