



# Base Morning Intraday Note

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

## Copper

With little directional movement on Friday and a Chinese holiday today and tomorrow the futures have opened flat, price is below all key movement averages supported by the RSI below, intraday price and momentum are aligned to the sell side. A close on the 4-hour candle above USD 10,293 with the RSI at or above 52 (currently 49) will mean price and momentum are aligned to the buy side. The daily technical remains bullish with price in a corrective phase, longer-term EMA's remain well spaced suggesting the trend is stable. On the intraday technical the same EMA's would imply a neutral trend, as does the RSI at 49. Resistance is at USD 10,293, USD 10,520, USD 10,845 with support at USD 10,234, USD 10,166, and USD 10,052.

## Aluminum

The London Metal Exchange said April 1 it would not allow placing some copper, aluminum and lead produced in Russia in its warehouses. The metals trading platform said its decision was prompted by the imposition of 35% additional duties by the UK government on the import of copper, aluminum, and lead of Russian and Belarussian origin (Bloomberg). The futures remain technically bullish but in a corrective phase with price below its EMA's supported by the RSI below 50, intraday price and momentum are conflicting. Downside moves that hold at or above USD 3,397 will support a bull argument, below this level the daily technical will have a neutral bias. An upside move on the open has put price above the daily pivot point (USD 3,468), a close above this level with the RSI at or above 48.5 (currently 46) will mean price and momentum are aligned to the buy side; likewise, a close below this level will mean it is aligned to the sell side. Price is now testing the daily EMA's (30-60) which remain well spaced, suggesting the trend is stable at this point, upside moves above USD 3,660 will mean the intraday has created a higher high, taking the technical into bull territory. Resistance is at USD 3,573, USD 3,609, USD 3,660 with support at USD 3,468, USD 3,397, and USD 3,331.

## Zinc

Zinc rises in early Asian trading amid signs of tightening inventories of the industrial metal on the London Metal Exchange, Commonwealth Bank of Australia says. The bank notes that on-warrant inventories of zinc fell to 95,125 tons and are at their lowest level since June 2020. A lockdown in Shanghai and a Covid-19 resurgence in China are also supporting prices across base metals amid fears of a hit to supply, ANZ says. Three-month LME zinc is 0.1% higher at \$4,343.0 a ton (Bloomberg). The futures continue to move higher with price 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 4,270 with the RSI at or below 60.5 (currently 70.5) will mean price and momentum are aligned to the sell side; however, corrective moves lower that hold at or above USD 4,143 will support a bull argument, below this level the futures will have a neutral bias. Upside moves that fail at or below USD 4,504 will leave the daily technical vulnerable to further tests to the downside, above this level the futures will target the USD 4,649, and USD 4,896 resistance levels. Support is at USD 4,270, USD 4,204, and USD 4,143.

## Nickel

U.K.'S FCA to review London Metal Exchange's approach to managing the suspension and resumption of the nickel market, according to a statement. Says the review will determine "what lessons might be learned in relation to the LME's governance and market oversight arrangements". Bank of England will similarly undertake a review into the operation of LME Clear during the period to determine whether any lessons might be learned in relation to its governance and risk management (Bloomberg). A small upside move in the futures on very low volume signaling that market participants continue to stay away from the LME futures.

## Lead

The futures failed to hold the upside move on Friday resulting in price closing on the daily pivot point. Price is again moving higher with price above all key moving averages supported by the RSI above 50, intraday price and momentum are currently conflicting. A close on the 4-hour candle above USD 2,417 with the RSI at or above 63 (currently 61) will mean price and momentum are aligned to the buy side; likewise, a close below this level with the RSI at or below 58.5 will mean price and momentum are aligned to the sell side. The futures have now traded above the USD 2,437 level meaning the intraday technical is bullish, corrective moves lower that hold at or above USD 2,331 will support a bull argument, below this level the futures will have a neutral bias, only below USD 2,281.5 will it be considered as bearish.