



# Base Morning Intraday Note

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## Copper

Copper edged higher as investors watched for demand signals amid China's Covid lockdowns. Chinese president Xi Jinping defended China's Covid response and pledged his commitment to open its economy in a speech to Boao forum late Wednesday, offering some hope that demand may recover. Strong earnings from metal consumers such as Tesla Inc. and American Airlines Group Inc. also buoyed sentiment for the metal, seen as an indicator of economic strength. "The main driver when traders talk about copper always goes back to China," said Bob Haberkorn, senior market strategist at RJO Futures. Copper traded on the London Metal Exchange reversed a two-day decline and climbed 0.6%, settling at \$10,285 a ton. "It looks like President Xi had a positive outlook on the economy," said Phil Streible, chief market strategist at Blue Line Futures, said in a phone interview. "People are thinking that the economy is doing well." (Bloomberg). The futures came under pressure on the Asian open leaving intraday price and momentum conflicting, however the futures continue to find support on the on the daily EMA band. The daily trend is bullish, based on the intraday technical there is no sign of an established trend with the EMA band showing no sign of separation. A close on the 4-hour candle above USD 10,276 with the RSI at or above 49.5 (currently 48) will mean price and momentum are aligned to the buy side. Likewise, a close below this level with the RSI at or below 45 would mean it is aligned to the sell side. A close above USD 10,340 will warn that resistance levels could be tested, above USD 10,500 would be the highest close since the 03/04/22 whilst above USD 10,580 would imply the USD 10,845 high could be tested. Support is at USD 10,177, USD 10,153, and USD 9,820. Technically bullish.

## Alu

The futures moved slightly higher yesterday meaning intraday price and momentum are aligned to the buy side. However, there is little change on the technical, intraday price is trading in the EMA resistance band whilst the daily futures are just below the support band. Upside moves above USD 10,357 will mean the futures have a neutral bias whilst below USD 3,221 price will produce a positive divergence. A close on the 4-hour candle below USD 3,288 with the RSI at or below 42.5 (currently 49) will mean price and momentum are aligned to the buy side. Due to the potential to diverge on a new low, the futures are not considered to be a technical sell; however, price remains below the daily band meaning it is also not a technical buy. Resistance is at USD 3,357, USD 3,383, USD 3,427 with support at USD 3,288, USD 3,251, and USD 3,221.

## Zinc

The downside move on the Asian open held the intraday EMA support band (30-60) resulting in price closing higher on the day. As highlighted yesterday the break in fractal support on the intraday chart means the intraday technical is bearish based on price; however, due to the futures being in the intraday support band this is a high-risk area to enter a short position, the daily trend remains bullish. A close on the 4-hour candle above USD 4,417 with the RSI at or above 57.5 (currently 54) will mean price and momentum are aligned to the buy side, upside moves that fail at or below USD 4,479 remain vulnerable to further tests to the downside, above this level we target the USD 4,515 and USD and USD 4,540 fractal resistance levels. Support is at USD 4,359, USD 4,261, and USD 4,234.

## Nickel

Flat with little price movement.

## Lead

The futures failed to hold above the intraday support band yesterday with the RSI staying below 50 level, the technical now has a neutral bias, below USD 2,365 it is bearish. Upside moves on the 4-hour candle above USD 2,406 with the RSI at or above 52 (currently 47.5) will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 2,454 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 2,488 high. Support is at USD 2,395, USD 2,365, and USD 2,281. Technically neutral.