S Base Morning Intraday Note

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Copper

The upside move in the futures failed to hold above the USD 9,981 resistance yesterday resulting in price testing the lows in the U.S session. A mixed Asian open with price trading up to the daily pivot point (USD 9,862) before selling to a low of USD 9,772, below USD 9,756.50 price will create a positive divergence with the RSI, warning of the potential that we could see a momentum slowdown. With China vowing economic support the downisde move has stabilized, upside moves that fail at or below USD 10,144 will support a bull argument, above this level the futures will have a neutral bias. Technically bearish but not a technical sell at this point. Intraday price and momentum are conflicting, a close on the 4-hour candle above the daily pivot with the RSI at or above 40.5 (currently 39.5) will mean it is aligned to the buyside. Likewise, a close below USD 9,862 with the RSI at or below 36.50 will mean it is aligned to the sell side. Resistance is at USD 9,862, USD 9,981, USD 10,050 with support at USD 9,756.50, USD 9,680, USD 9,496.

Ali

Aluminium held near the lowest close in almost three months as investors assessed whether a major Chinese infrastructure push will be enough to cushion the economy from the impact of virus lockdowns. Fears about the economic toll of Covid Zero have shaken financial markets desperate for more policy support. China's President Xi Jinping on Wednesday called for all-out efforts to spur infrastructure spending. That follows the country's central bank's vow to increase monetary support to the real economy. Still, that may not be enough to lift aluminium. It may hover around the current low levels amid a "mismatch" in China's demand and supply of the metal, Huatai Futures said in a note Wednesday. The country's demand for the lightweight metal is yet to return to normal despite the gradual restart of businesses from Covid lockdowns, while domestic supply keeps picking up, it said (Bloomberg). Having seen a break to the downside below the USD 3,219.50 support two days ago the futures produced a Doji star yesterday, implying indecision in the market. We have a subdued Asian open with price moving slightly higher, intraday price and momentum are conflicting, a close on the 4-hour candle above USD 3,093 with the RSI at or above 39.5 (currently 39) will mean it is aligned to the buyside; likewise, a close below this level with the RSI at or below 35 will mean it is aligned to the supside; likewise, a close below this level with the RSI at or below 35 will mean it is aligned to the supside; likewise, a close below this level with the RSI at or below 35 will mean it is aligned to the supside; likewise, a close below this level with the RSI at or below 35 will mean it is aligned to the supside; likewise, a close below this level with the RSI at or below 35 will mean it is aligned to the supside; likewise, a close below this level with the RSI at or below 35 will mean it is aligned to the supside; likewise, a close below this level with the RSI at or below 35 will mean it is aligned to the upside. The futures remain vulnerabl

Zinc

Yesterday there was a bullish fundamental argument that we have to agree with. The intraday is bearish with the futures vulnerable below USD 4,364 and neutral above, price and momentum are conflicting. The daily technical has traded below the USD 4,150 fractal support meaning price is corrective; however, the futures are holding at the top of the EMA support band, meaning the futures are not considered a technical sell. Corrective moves lower that hold at or above 3,989 will support a bull argument on the daily technical, below this level the futures will have a neutral bias. A close on the 4-hour candle above USD 4,198 with the RSI at or above 47 (currently 45) will mean price and momentum are aligned to the buyside; likewise, a close below this level with the RSI at or below 42.5 will mean it is aligned to the sell side. Resistance is at USD 4,267, USD 4,308, USD 4,364 with support at USD 4,123, USD 3,989, and USD 3,884. Technically neutral as the lower timeframe is conflicting the daily technical, with the potential to produce bullish numbers in the coming days.

Nickel

The market is flat, the volume is flat, and the aggregate open interest is at its lowest level since Feb 2014. Neutral.

Lead

The intraday technical is bearish, the new low yesterday has created a positive divergence with the RSI resulting in the move higher into the U.S close. Technically we are not a sell at these levels as the weekly futures are testing and holding the EMA support band, we are also seeing a build in aggregate open interest, suggesting the investor trend could be entering from the buyside. There remains a lack of trend on the daily chart, but yesterday's bullish rejection candle is warning that there is support in the market. Intraday price and momentum are conflicting. A close on the 4-hour candle above USD 2,337 with the RSI at or above 46 (currently 44) will mean price and momentum are aligned to the buyside; likewise, a close below this level with the RSI at or below 41.5 will mean it is aligned to the sell side. Resistance is at USD 2,372, USD 2,394, USD 2,424 with support at USD 2,306, USD 2,278, and USD 2,230. Bearish in the intraday but with a bullish divergence, neutral on the daily technical but with a bullish rejection candle whilst price is testing the weekly support band, accompanied by rising aggregate open interest. Not a technical sell with bullish signals warning we have the potential to base around these levels.

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