



**KEDIA** ADVISORY

# DAILY BASE METALS REPORT

28 Aug 2024

- ALUMINIUM
- COPPER
- LEAD
- ZINC



**Kedia Stocks & Commodities Research Pvt. Ltd.**

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## MCX Basemetals Update

Commodity	Expiry	Open	High	Low	Close	% Change
COPPER	30-Sep-24	813.30	820.35	813.05	819.10	5.25
ZINC	30-Sep-24	269.65	271.90	267.70	271.35	3.07
ALUMINIUM	30-Sep-24	231.85	234.10	230.00	233.55	-0.42
LEAD	30-Sep-24	188.10	189.25	187.55	188.90	17.01

## Open Interest Update

Commodity	Expiry	% Change	% Oi Change	Oi Status
COPPER	30-Sep-24	0.65	-0.36	Short Covering
ZINC	30-Sep-24	0.44	3.07	Fresh Buying
ALUMINIUM	30-Sep-24	0.49	-0.42	Short Covering
LEAD	30-Sep-24	0.37	17.01	Fresh Buying

## International Update

Commodity	Open	High	Low	Close	% Change
Lme Copper	9307.00	9460.00	9297.00	9425.00	1.47
Lme Zinc	2916.00	2947.00	2889.00	2940.00	0.96
Lme Aluminium	2537.00	2558.00	2506.00	2551.00	0.35
Lme Lead	2112.00	2128.00	2105.00	2127.00	0.47
Lme Nickel	16700.00	16650.00	16655.00	16758.00	0.93

## Ratio Update

Ratio	Price	Ratio	Price
Gold / Silver Ratio	84.20	Crudeoil / Natural Gas Ratio	36.47
Gold / Crudeoil Ratio	11.35	Crudeoil / Copper Ratio	7.76
Gold / Copper Ratio	88.05	Copper / Zinc Ratio	3.02
Silver / Crudeoil Ratio	13.48	Copper / Lead Ratio	4.34
Silver / Copper Ratio	104.58	Copper / Aluminium Ratio	3.51

## TECHNICAL SNAPSHOT



**SELL ALUMINIUM SEP @ 234.5 SL 236.5 TGT 232-230. MCX**

### OBSERVATIONS

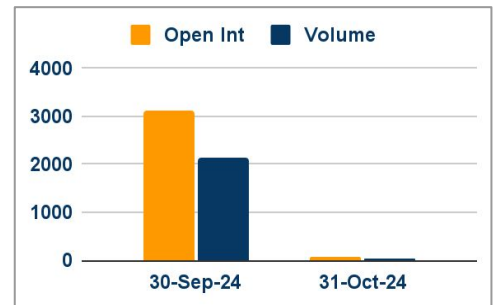
Aluminium trading range for the day is 228.5-236.7.

Aluminium inched higher buoyed by tight supply of raw material and expectation of a U.S. interest rate cut next month.

The discount of LME cash aluminium to the three-month contract tightened to \$17.08 a ton, indicating tightening nearby supply.

LME aluminium inventory has dropped 22% in three months to 877,950 tons, the lowest since May 8.

### OI & VOLUME



### SPREAD

Commodity	Spread
ALUMINIUM OCT-SEP	1.20
ALUMINI OCT-SEP	1.60

### TRADING LEVELS

Commodity	Expiry	Close	R2	R1	PP	S1	S2
ALUMINIUM	30-Sep-24	233.55	236.70	235.20	232.60	231.10	228.50
ALUMINIUM	31-Oct-24	234.75	237.20	236.10	234.00	232.90	230.80
ALUMINI	30-Sep-24	233.55	236.40	235.00	232.60	231.20	228.80
ALUMINI	31-Oct-24	235.15	238.10	236.70	234.70	233.30	231.30
Lme Aluminium		2551.00	2590.00	2570.00	2538.00	2518.00	2486.00



**TECHNICAL SNAPSHOT**



**SELL COPPER SEP @ 822 SL 826 TGT 817-812. MCX**

**OBSERVATIONS**

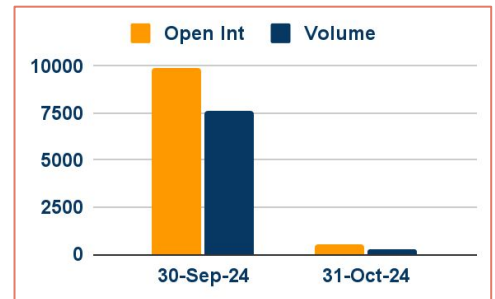
Copper trading range for the day is 810.2-824.8.

Copper gains supported by optimism over a potential U.S. interest rate cut in September that could help lift demand.

Copper inventories in warehouses monitored by the Shanghai Futures Exchange fell 4.3% from last Friday.

China produced 5.9 million tons of refined copper in the first half of the year.

**OI & VOLUME**



**SPREAD**

Commodity	Spread
COPPER OCT-SEP	6.95

**TRADING LEVELS**

Commodity	Expiry	Close	R2	R1	PP	S1	S2
COPPER	30-Sep-24	819.10	824.80	822.00	817.50	814.70	810.20
COPPER	31-Oct-24	826.05	831.10	828.60	824.50	822.00	817.90
Lme Copper		9425.00	9557.00	9491.00	9394.00	9328.00	9231.00

## TECHNICAL SNAPSHOT



**SELL ZINC SEP @ 273 SL 276 TGT 270-268. MCX**

### OBSERVATIONS

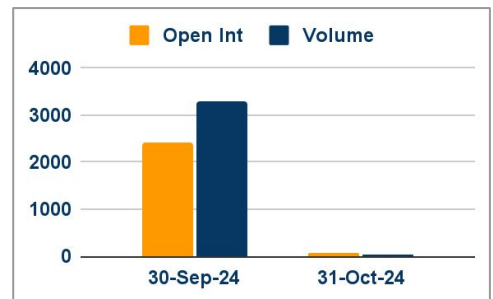
Zinc trading range for the day is 266.1-274.5.

Zinc climbed underpinned by prospects of reduced supply and a seasonal uplift in demand in the coming months.

Smelters have already curbed production in July and August, with China's zinc output falling for a second straight month in July

Treatment charges for zinc concentrates have fallen to historical lows amid tight supply.

### OI & VOLUME

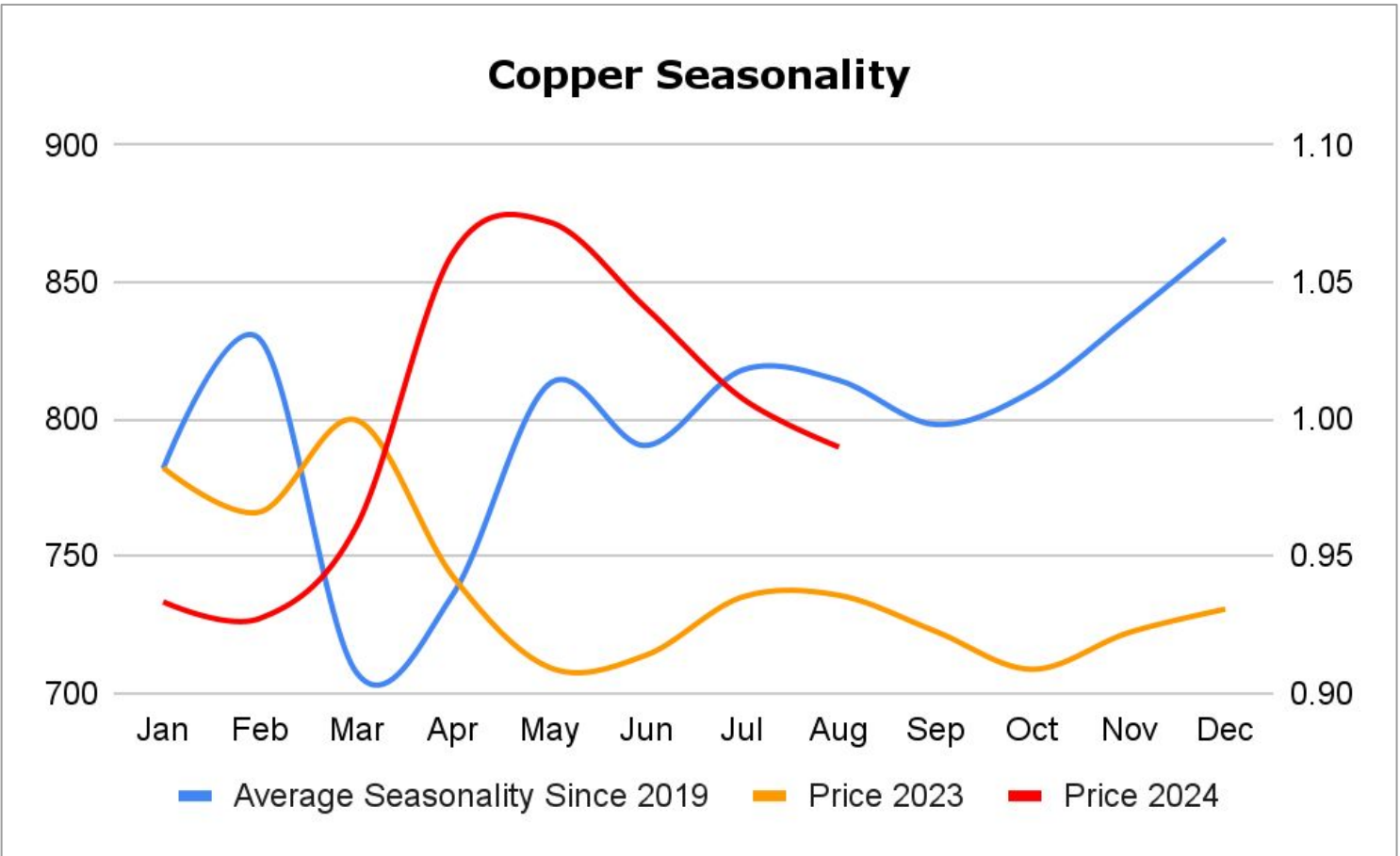
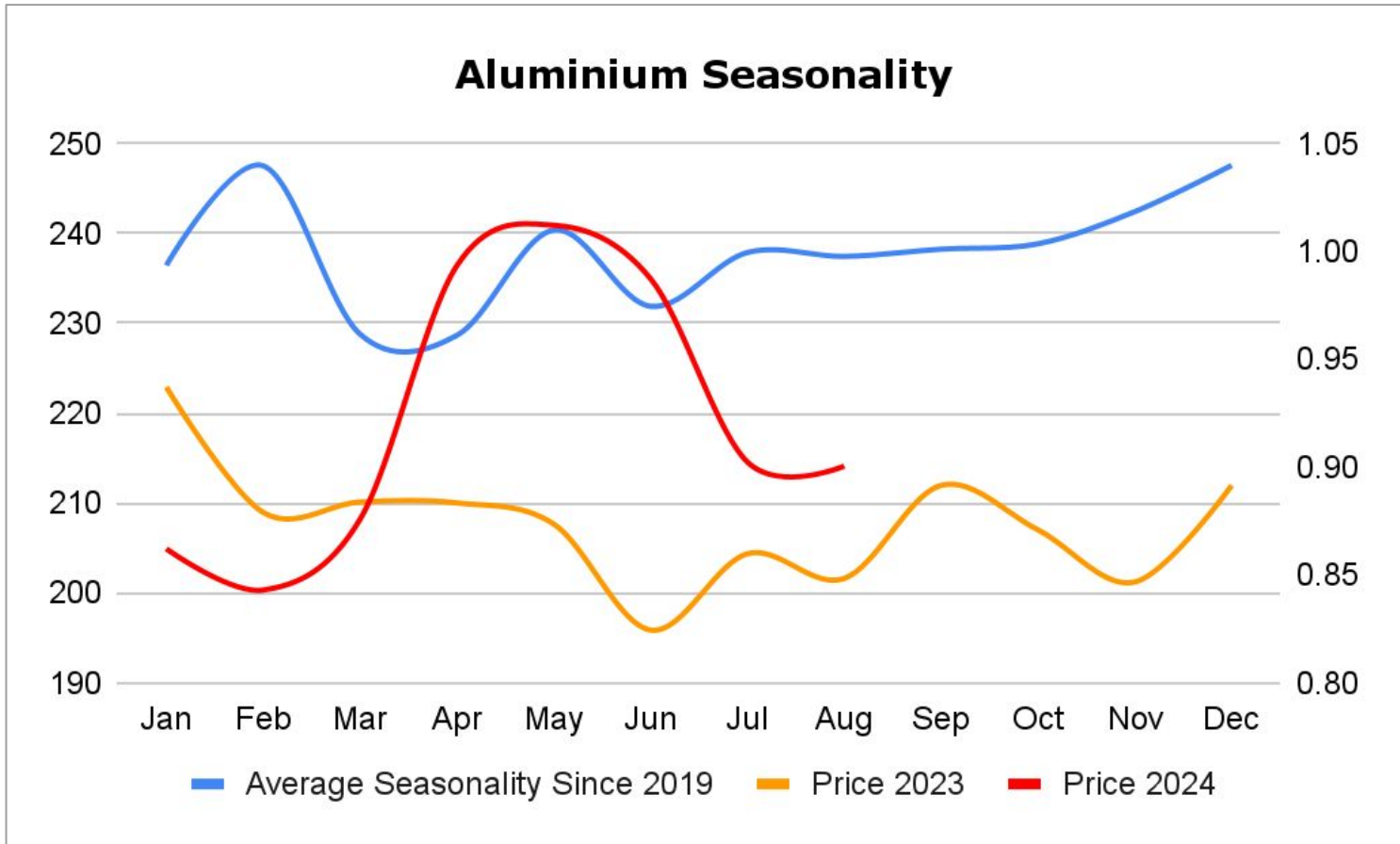


### SPREAD

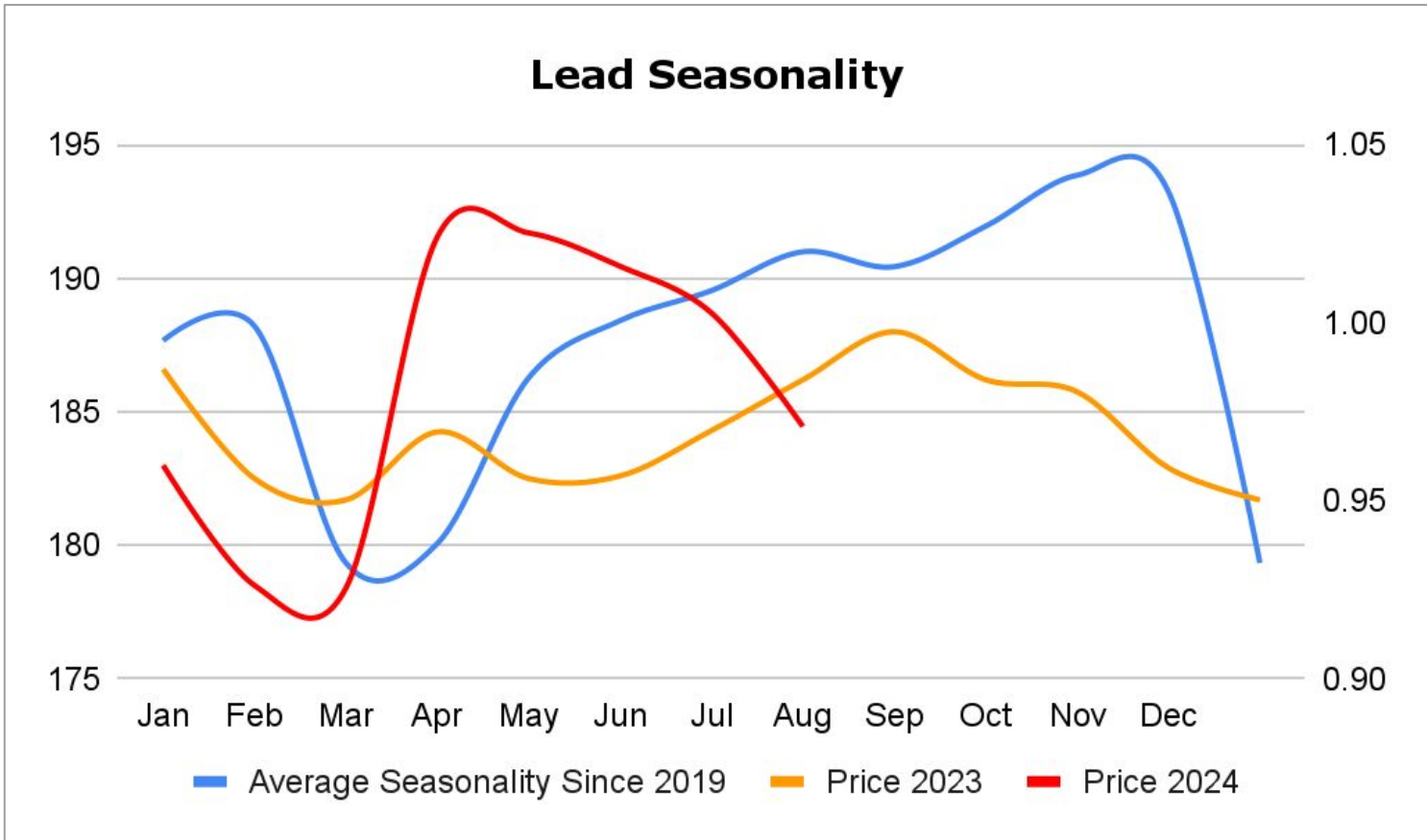
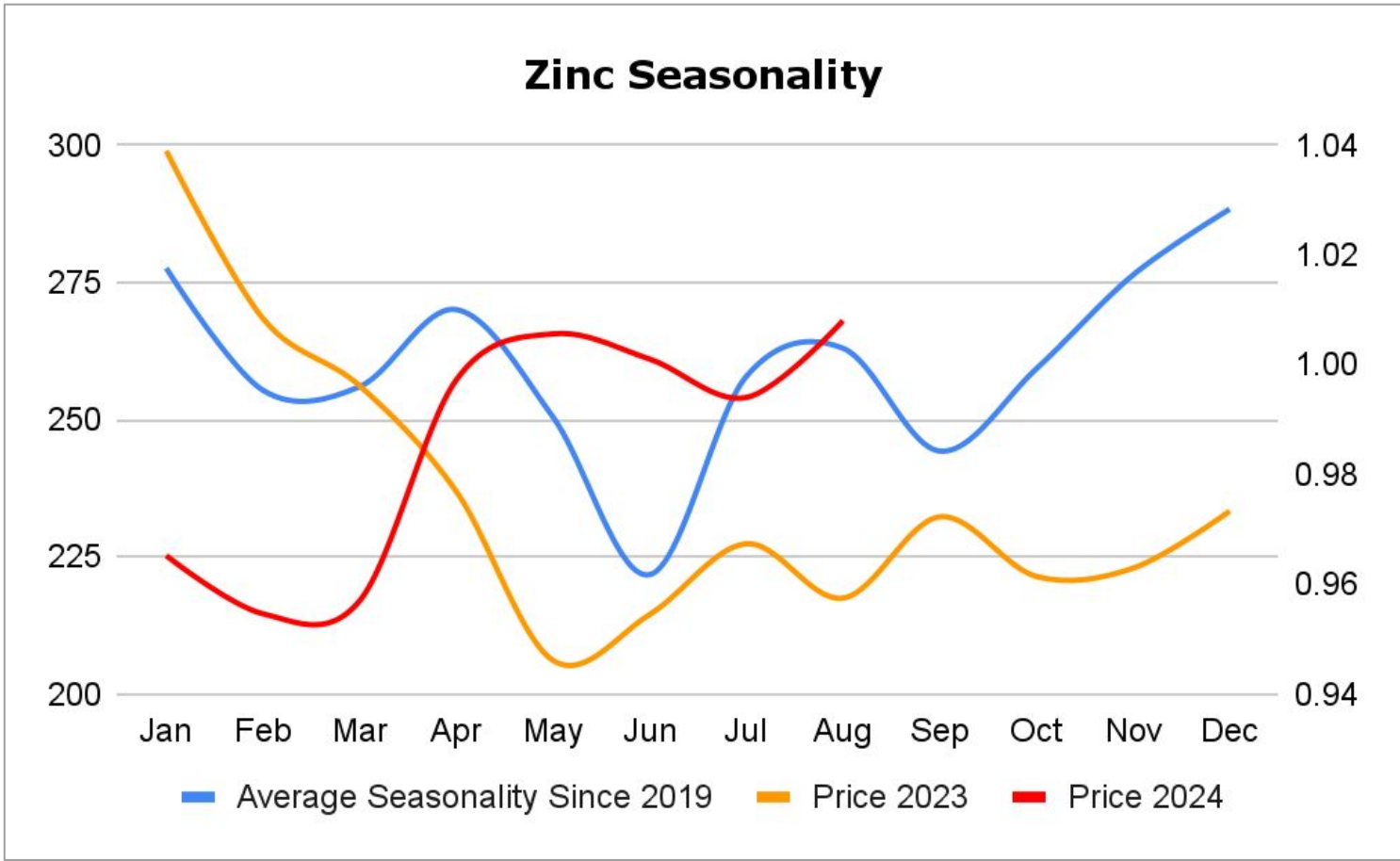
Commodity	Spread
ZINC OCT-SEP	-1.25
ZINCMINI OCT-SEP	-0.75

### TRADING LEVELS

Commodity	Expiry	Close	R2	R1	PP	S1	S2
ZINC	30-Sep-24	271.35	274.50	272.90	270.30	268.70	266.10
ZINC	31-Oct-24	270.10	272.70	271.40	269.70	268.40	266.70
ZINCMINI	30-Sep-24	271.20	274.30	272.70	270.20	268.60	266.10
ZINCMINI	31-Oct-24	270.45	273.00	271.80	269.60	268.40	266.20
Lme Zinc		2940.00	2983.00	2961.00	2925.00	2903.00	2867.00







## Weekly Economic Data

Date	Curr.	Data
Aug 26	EUR	German ifo Business Climate
Aug 26	USD	Core Durable Goods Orders m/m
Aug 26	USD	Durable Goods Orders m/m
Aug 26	EUR	Belgian NBB Business Climate
Aug 27	EUR	German Final GDP q/q
Aug 27	USD	S&P/CS Composite-20 HPI y/y
Aug 27	USD	CB Consumer Confidence
Aug 27	USD	Richmond Manufacturing Index
Aug 28	EUR	German GfK Consumer Climate
Aug 28	EUR	M3 Money Supply y/y
Aug 28	EUR	Private Loans y/y
Aug 28	USD	Crude Oil Inventories
Aug 29	EUR	Spanish Flash CPI y/y

Date	Curr.	Data
Aug 29	USD	Prelim GDP Price Index q/q
Aug 29	USD	Goods Trade Balance
Aug 29	USD	Prelim Wholesale Inventories m/m
Aug 29	USD	Pending Home Sales m/m
Aug 29	USD	Natural Gas Storage
Aug 30	EUR	German Unemployment Change
Aug 30	EUR	Core CPI Flash Estimate y/y
Aug 30	EUR	CPI Flash Estimate y/y
Aug 30	EUR	Unemployment Rate
Aug 30	USD	Core PCE Price Index m/m
Aug 30	USD	Personal Income m/m
Aug 30	USD	Personal Spending m/m
Aug 30	USD	Chicago PMI

## News you can Use

New orders for key U.S.-manufactured capital goods unexpectedly fell in July and data for the prior month was revised lower, suggesting a loss of momentum in business spending on equipment that extended into the early part of the third quarter. Non-defense capital goods orders excluding aircraft, a closely watched proxy for business spending plans, dipped 0.1% last month after a downwardly revised 0.5% increase in June, the Commerce Department's Census Bureau said. Business spending on equipment notched double-digit growth in the second quarter, with spending on goods largely holding up despite 525 basis points worth of interest rate hikes from the Federal Reserve in 2022 and 2023. The U.S. central bank has maintained its benchmark overnight interest rate in the current 5.25%-5.50% range for more than a year. Fed Chair Jerome Powell signaled rate cuts were imminent amid concerns over labor market weakness. Financial markets expect the Fed to kick off its easing cycle next month with a 25-basis-point rate reduction, though a half-percentage point cut cannot be ruled out. Core capital goods shipments fell 0.4% after being unchanged in June. Non-defense capital goods orders rebounded 41.9%. They dropped 22.9% in June. Shipments of these goods rose 4.7% after increasing 6.1% in June.

German business morale fell for a third consecutive month in August, a survey showed, pushing back recovery hopes for Europe's largest economy. The Ifo institute said its business climate index fell to 86.6 in August from 87.0 in July, though it came in above a forecast for a reading of 86.0. Companies were both more pessimistic and assessed their current situation as worse, Ifo found in its survey of around 9,000 managers. The mood in industry, in particular, has noticeably deteriorated, while service providers also saw a dip, Ifo found. Wohlrabe predicted that the third quarter could bring a further decline in German gross domestic product (GDP), which unexpectedly contracted by 0.1% in the second quarter. The index measuring current conditions fell to 86.5 from 87.1 the month before, while expectations were down only slightly, at 86.8 from a slightly upwardly adjusted 87.0. The Ifo survey is in line with the latest purchasing managers' index (PMI) data, which saw business activity contract in August for a second month in a row and by more than expected. Together they are part of a raft of indicators that so far this quarter point to anaemic expansion for the economy.



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