



KEDIA ADVISORY

DAILY BASE METALS REPORT

8 Jan 2024

- ALUMINIUM
- COPPER
- LEAD
- ZINC



Kedia Stocks & Commodities Research Pvt. Ltd.

Research Advisory | White Labelling | Digital Marketing



MCX Basemetals Update

| Commodity | Expiry | Open | High | Low | Close | % Change |
|-----------|-----------|--------|--------|--------|--------|----------|
| COPPER | 31-Jan-24 | 726.00 | 727.10 | 720.25 | 720.70 | -4.25 |
| ZINC | 31-Jan-24 | 226.05 | 227.40 | 225.10 | 225.50 | 1.23 |
| ALUMINIUM | 31-Jan-24 | 205.95 | 206.35 | 204.25 | 205.45 | 0.12 |
| LEAD | 31-Jan-24 | 182.20 | 183.35 | 182.05 | 182.80 | -25.56 |

Open Interest Update

| Commodity | Expiry | % Change | % Oi Change | Oi Status |
|-----------|-----------|----------|-------------|----------------|
| COPPER | 31-Jan-24 | -0.59 | 6.76 | Fresh Selling |
| ZINC | 31-Jan-24 | -0.11 | 1.23 | Fresh Selling |
| ALUMINIUM | 31-Jan-24 | -0.32 | 0.12 | Fresh Selling |
| LEAD | 31-Jan-24 | 0.41 | -25.56 | Short Covering |

International Update

| Commodity | Open | High | Low | Close | % Change |
|---------------|----------|----------|----------|----------|----------|
| Lme Copper | 8452.00 | 8449.00 | 8450.00 | 8463.00 | -0.04 |
| Lme Zinc | 2540.00 | 2539.00 | 2540.00 | 2562.50 | 0.97 |
| Lme Aluminium | 2262.00 | 2262.00 | 2262.00 | 2273.50 | -0.33 |
| Lme Lead | 2059.00 | 2055.00 | 2055.00 | 2076.00 | 1.69 |
| Lme Nickel | 16000.00 | 16000.00 | 15950.00 | 16372.00 | 1.92 |

Ratio Update

| Ratio | Price | Ratio | Price |
|-------------------------|--------|------------------------------|-------|
| Gold / Silver Ratio | 86.18 | Crudeoil / Natural Gas Ratio | 25.91 |
| Gold / Crudeoil Ratio | 10.21 | Crudeoil / Copper Ratio | 8.50 |
| Gold / Copper Ratio | 86.80 | Copper / Zinc Ratio | 3.20 |
| Silver / Crudeoil Ratio | 11.85 | Copper / Lead Ratio | 3.94 |
| Silver / Copper Ratio | 100.72 | Copper / Aluminium Ratio | 3.51 |

TECHNICAL SNAPSHOT

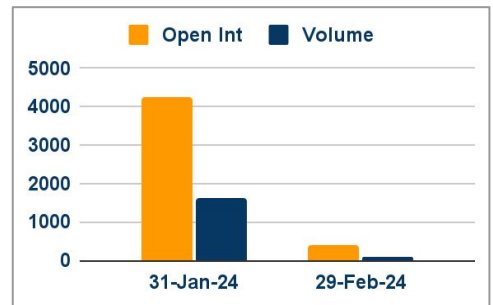


BUY ALUMINIUM JAN @ 205 SL 203 TGT 207-209. MCX

OBSERVATIONS

- Aluminium trading range for the day is 203.3-207.5.
- Aluminium dropped as China's December production hiking by 2.1%
- Aluminium output in November decreased due to production cuts in Yunnan province
- Global alumina production in November was 11.858 million tons, a 1.9% decrease from the previous month.

OI & VOLUME



SPREAD

| Commodity | Spread |
|-------------------|--------|
| ALUMINIUM FEB-JAN | 2.30 |
| ALUMINI FEB-JAN | 2.55 |

TRADING LEVELS

| Commodity | Expiry | Close | R2 | R1 | PP | S1 | S2 |
|---------------|-----------|---------|---------|---------|---------|---------|---------|
| ALUMINIUM | 31-Jan-24 | 205.45 | 207.50 | 206.60 | 205.40 | 204.50 | 203.30 |
| ALUMINIUM | 29-Feb-24 | 207.75 | 209.50 | 208.70 | 207.60 | 206.80 | 205.70 |
| ALUMINI | 31-Jan-24 | 205.50 | 207.50 | 206.60 | 205.60 | 204.70 | 203.70 |
| ALUMINI | 29-Feb-24 | 208.05 | 209.60 | 208.80 | 207.80 | 207.00 | 206.00 |
| Lme Aluminium | | 2273.50 | 2266.00 | 2270.00 | 2266.00 | 2270.00 | 2266.00 |

TECHNICAL SNAPSHOT



BUY COPPER JAN @ 718 SL 714 TGT 722-726. MCX

OBSERVATIONS

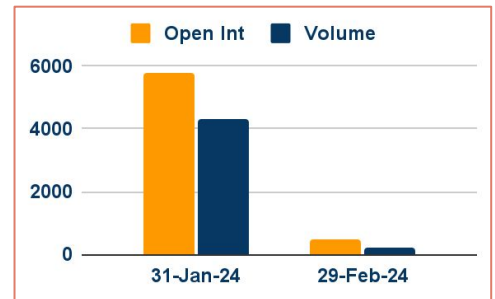
Copper trading range for the day is 715.8-729.6.

Copper dropped due to revised expectations of the Fed's interest rate cuts

Chile's total copper production fell 2.34% in November on an annual basis.

Copper inventories in Shanghai Futures Exchange warehouses rose 7.2%.

OI & VOLUME



SPREAD

| Commodity | Spread |
|----------------|--------|
| COPPER FEB-JAN | 6.75 |

TRADING LEVELS

| Commodity | Expiry | Close | R2 | R1 | PP | S1 | S2 |
|------------|-----------|---------|---------|---------|---------|---------|---------|
| COPPER | 31-Jan-24 | 720.70 | 729.60 | 725.20 | 722.70 | 718.30 | 715.80 |
| COPPER | 29-Feb-24 | 727.45 | 735.20 | 731.40 | 729.20 | 725.40 | 723.20 |
| Lme Copper | | 8463.00 | 8453.00 | 8458.00 | 8454.00 | 8459.00 | 8455.00 |

TECHNICAL SNAPSHOT



BUY ZINC JAN @ 224 SL 222 TGT 227-229. MCX

OBSERVATIONS

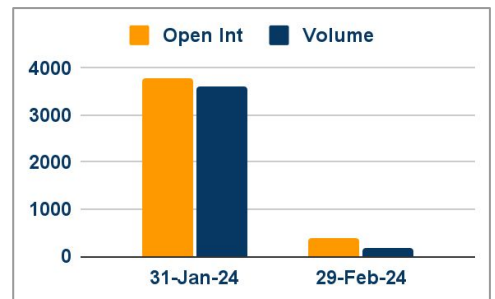
Zinc trading range for the day is 223.7-228.3.

Zinc dropped as inventories in SHFE warehouses rose 2.8% from last Friday.

Smelters in Sichuan increased production, while smelters in Gansu ended maintenance, leading to a growth in output.

China's refined zinc output in November 2023 was 579,000 mt, a decrease of 4.23% month on month

OI & VOLUME

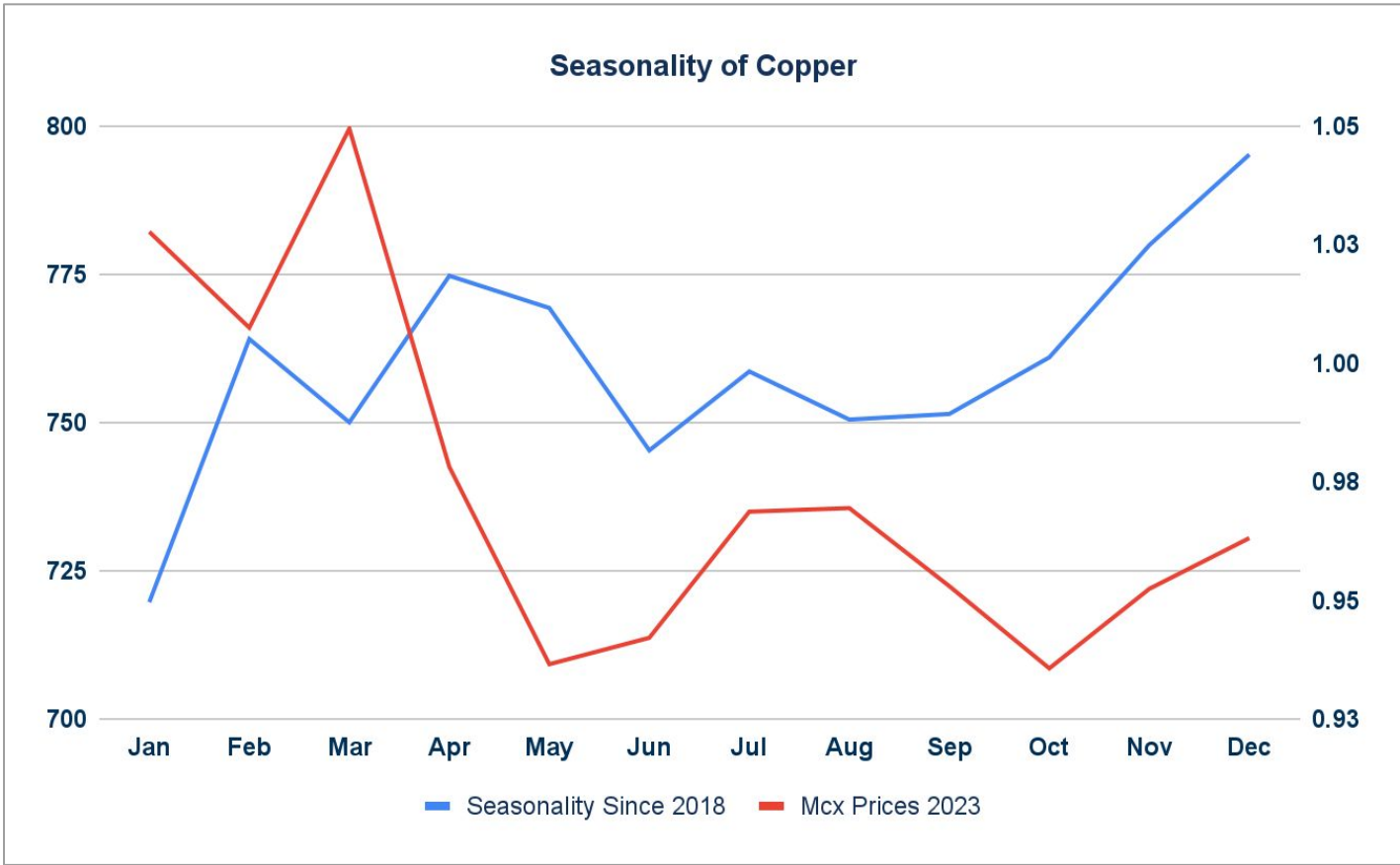
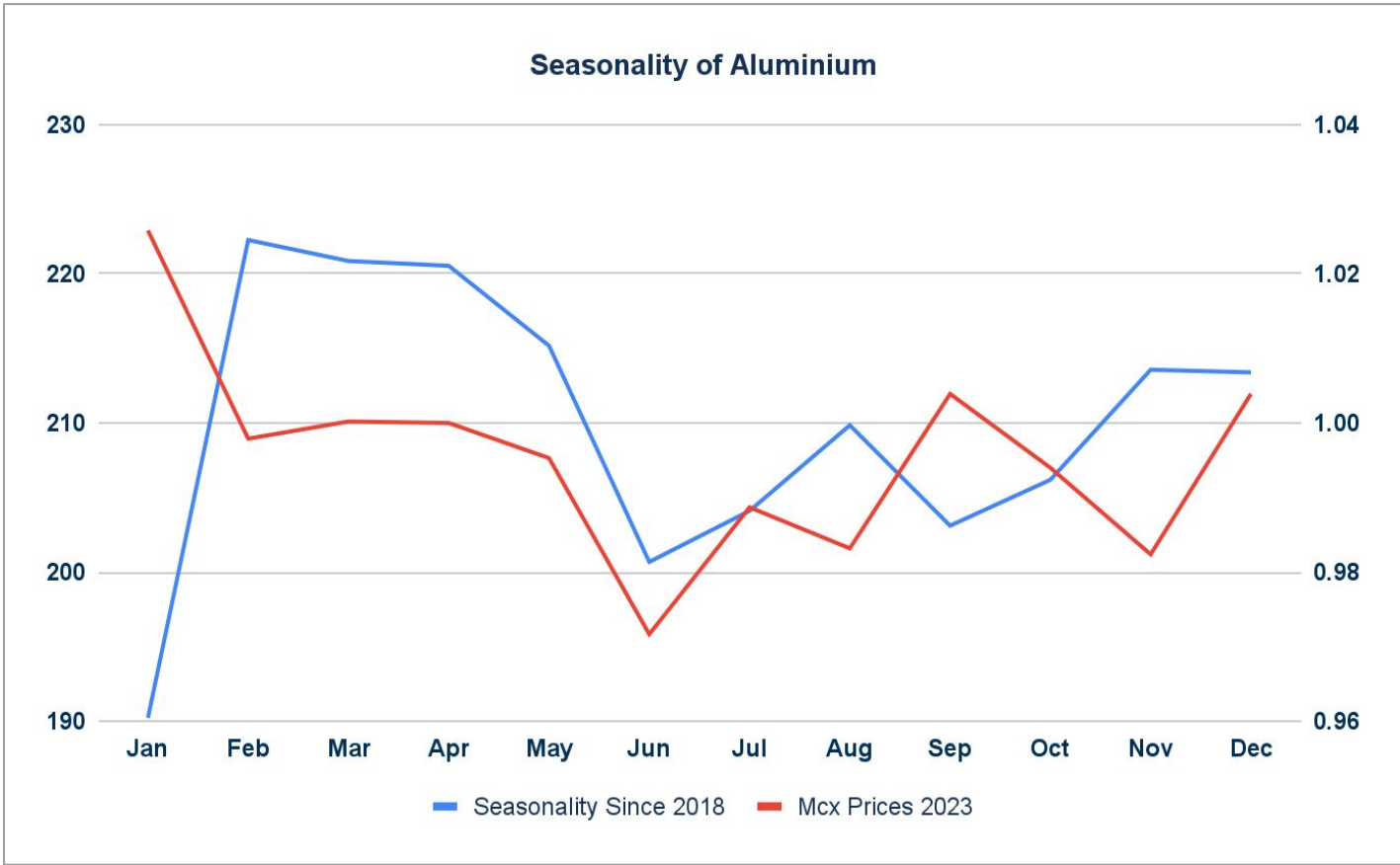


SPREAD

| Commodity | Spread |
|------------------|--------|
| ZINC FEB-JAN | 2.15 |
| ZINCMINI FEB-JAN | 1.95 |

TRADING LEVELS

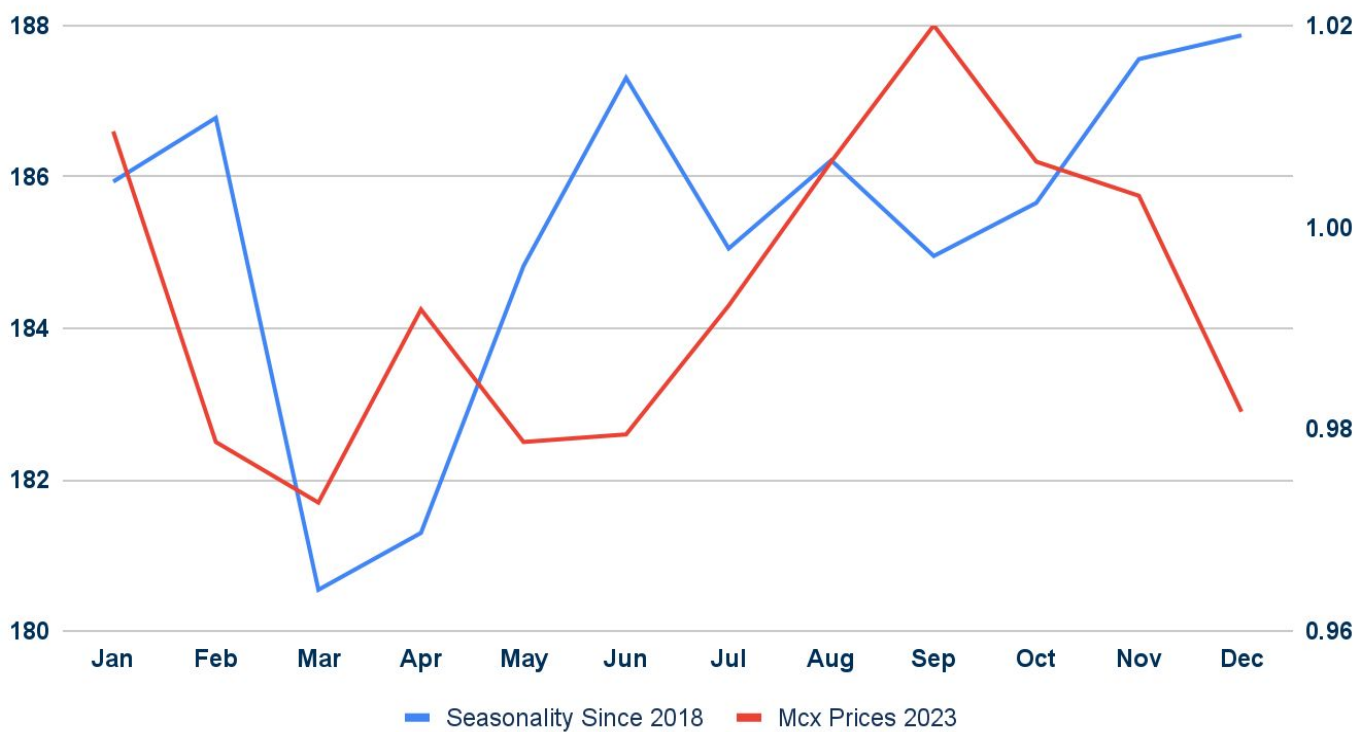
| Commodity | Expiry | Close | R2 | R1 | PP | S1 | S2 |
|-----------|-----------|---------|---------|---------|---------|---------|---------|
| ZINC | 31-Jan-24 | 225.50 | 228.30 | 226.90 | 226.00 | 224.60 | 223.70 |
| ZINC | 29-Feb-24 | 227.65 | 229.80 | 228.70 | 227.90 | 226.80 | 226.00 |
| ZINCMINI | 31-Jan-24 | 225.65 | 228.20 | 226.90 | 226.10 | 224.80 | 224.00 |
| ZINCMINI | 29-Feb-24 | 227.60 | 229.80 | 228.70 | 228.00 | 226.90 | 226.20 |
| Lme Zinc | | 2562.50 | 2546.00 | 2554.00 | 2547.00 | 2555.00 | 2548.00 |



Seasonality of Zinc



Seasonality of Lead



Weekly Economic Data

| Date | Curr. | Data | Date | Curr. | Data |
|--------|-------|-----------------------------------|--------|-------|-----------------------------------|
| Jan 8 | EUR | German Factory Orders m/m | Jan 10 | USD | Crude Oil Inventories |
| Jan 8 | EUR | German Trade Balance | Jan 11 | USD | FOMC Member Williams Speaks |
| Jan 8 | EUR | Sentix Investor Confidence | Jan 11 | EUR | ECB Economic Bulletin |
| Jan 8 | EUR | Retail Sales m/m | Jan 11 | EUR | Italian Industrial Production m/m |
| Jan 8 | USD | FOMC Member Bostic Speaks | Jan 11 | USD | Core CPI m/m |
| Jan 9 | EUR | German Industrial Production m/m | Jan 11 | USD | CPI m/m |
| Jan 9 | EUR | French Trade Balance | Jan 11 | USD | CPI y/y |
| Jan 9 | EUR | Italian Monthly Unemployment Rate | Jan 11 | USD | Unemployment Claims |
| Jan 9 | EUR | Unemployment Rate | Jan 11 | USD | Natural Gas Storage |
| Jan 9 | USD | NFIB Small Business Index | Jan 11 | USD | 30-y Bond Auction |
| Jan 9 | USD | Trade Balance | Jan 12 | USD | Federal Budget Balance |
| Jan 9 | USD | FOMC Member Barr Speaks | Jan 12 | EUR | French Consumer Spending m/m |
| Jan 10 | EUR | French Industrial Production m/m | Jan 12 | EUR | French Final CPI m/m |

News you can Use

The au Jibun Bank Japan Services PMI was revised lower to 51.5 in December 2023 from 52.0 in the preliminary figure. Still, the latest reading was higher than 50.8 in November, extending the current sequence of rising business activity to 16 months. That said, the expansion was only modest, being the second-weakest recorded in 2023. New orders grew the most since September, supported by domestic demand. Foreign demand fell for the third straight month, albeit at a marginal pace. Employment increased for the third consecutive month, with the rate of job creation modest overall. The au Jibun Bank Japan Composite PMI was revised downward to 50.0 in December 2023 from a flash figure of 50.4. Still, the latest result was higher than November's one-year low of 49.6, with faster service sector growth offsetting a further reduction in manufacturing production. New orders fell for the second straight month, with the rate of drop the fastest in 11 months amid a sharp contraction among goods producers. Service providers, meanwhile, saw new business increase the most since September. Employment sustained, with both manufacturers and service providers registered growth in job creation.

The number of Americans filing new claims for unemployment benefits fell more than expected last week, suggesting labor market conditions remain fairly tight even as demand for workers is easing. With the report from the Labor Department also showing the number of people on unemployment rolls remained elevated towards the end of December, financial markets continued to anticipate that the Federal Reserve would start cutting interest rates in March. The government reported that job openings fell to near a three-year low in November. Labor market strength is expected to again shield the economy from recession this year. Initial claims for state unemployment benefits dropped 18,000 to a seasonally adjusted 202,000 for the week ended Dec. 30, the lowest level since mid-October. Claims data tend to be volatile around this time of year because of holidays. They have largely bounced around in the lower end of their 194,000-265,000 range for 2023. Unadjusted claims fell 6,820 to 268,020 last week. Claims plunged by 7,572 in California and tumbled 6,080 in Texas. That helped to more than offset notable increases in Pennsylvania, New Jersey, Michigan, Massachusetts and Connecticut.

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