



KEDIA ADVISORY

DAILY BASE METALS REPORT

29 Feb 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 | 28-Mar-24 | 725.35 | 726.60 | 723.15 | 726.05 | -0.85 |
| ZINC | 28-Mar-24 | 214.15 | 214.15 | 211.10 | 213.55 | 2.28 |
| ALUMINIUM | 28-Mar-24 | 198.10 | 198.60 | 197.45 | 198.35 | 2.91 |
| LEAD | 28-Mar-24 | 179.70 | 179.70 | 178.05 | 178.75 | -5.47 |

Open Interest Update

| Commodity | Expiry | % Change | % Oi Change | Oi Status |
|-----------|-----------|----------|-------------|------------------|
| COPPER | 28-Mar-24 | -0.12 | 1.04 | Fresh Selling |
| ZINC | 28-Mar-24 | -0.65 | 2.28 | Fresh Selling |
| ALUMINIUM | 28-Mar-24 | -0.25 | 2.91 | Fresh Selling |
| LEAD | 28-Mar-24 | -0.50 | -5.47 | Long Liquidation |

International Update

| Commodity | Open | High | Low | Close | % Change |
|---------------|----------|----------|----------|----------|----------|
| Lme Copper | 8478.00 | 8492.00 | 8429.00 | 8460.00 | -0.17 |
| Lme Zinc | 2420.00 | 2421.00 | 2372.00 | 2415.00 | -0.29 |
| Lme Aluminium | 2197.00 | 2198.00 | 2177.00 | 2192.00 | 0.02 |
| Lme Lead | 2087.00 | 2090.00 | 2068.00 | 2088.00 | -0.12 |
| Lme Nickel | 17380.00 | 17355.00 | 17355.00 | 17460.00 | 1.69 |

Ratio Update

| Ratio | Price | Ratio | Price |
|-------------------------|-------|------------------------------|-------|
| Gold / Silver Ratio | 87.96 | Crudeoil / Natural Gas Ratio | 41.61 |
| Gold / Crudeoil Ratio | 9.55 | Crudeoil / Copper Ratio | 8.98 |
| Gold / Copper Ratio | 85.74 | Copper / Zinc Ratio | 3.40 |
| Silver / Crudeoil Ratio | 10.85 | Copper / Lead Ratio | 4.06 |
| Silver / Copper Ratio | 97.47 | Copper / Aluminium Ratio | 3.66 |

TECHNICAL SNAPSHOT

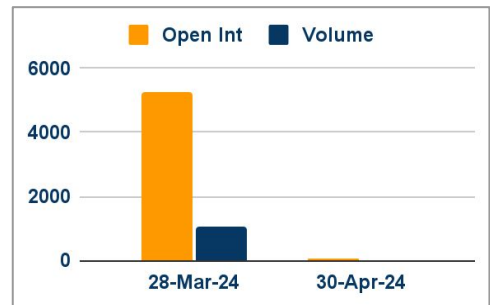


BUY ALUMINIUM MAR @ 197 SL 195 TGT 199-201. MCX

OBSERVATIONS

- Aluminium trading range for the day is 196.9-199.3.
- Aluminium dropped as an aluminium smelter in Inner Mongolia is now resuming production
- Markets continued to assess the impact of stimulus and looser monetary policy in China on demand
- Aluminium downstream enterprises are steadily resuming production, with short-term operating rates recovering

OI & VOLUME



SPREAD

| Commodity | Spread |
|-------------------|--------|
| ALUMINIUM APR-MAR | 2.00 |
| ALUMINI APR-MAR | 2.30 |

TRADING LEVELS

| Commodity | Expiry | Close | R2 | R1 | PP | S1 | S2 |
|---------------|-----------|---------|---------|---------|---------|---------|---------|
| ALUMINIUM | 28-Mar-24 | 198.35 | 199.30 | 198.80 | 198.10 | 197.60 | 196.90 |
| ALUMINIUM | 30-Apr-24 | 200.35 | 200.60 | 200.60 | 200.40 | 200.40 | 200.20 |
| ALUMINI | 28-Mar-24 | 199.00 | 199.50 | 199.30 | 198.90 | 198.70 | 198.30 |
| ALUMINI | 30-Apr-24 | 201.30 | 202.00 | 201.70 | 201.10 | 200.80 | 200.20 |
| Lme Aluminium | | 2192.00 | 2210.00 | 2201.00 | 2189.00 | 2180.00 | 2168.00 |

TECHNICAL SNAPSHOT



BUY COPPER MAR @ 724 SL 720 TGT 728-730. MCX

OBSERVATIONS

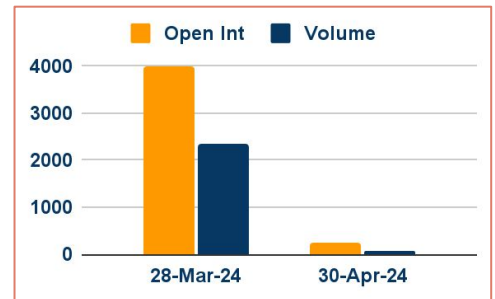
Copper trading range for the day is 721.8-728.8.

Copper fell amid stronger dollar and bad news from China's property sector.

Chinese demand has not made much of a recovery since the Lunar New Year holiday.

SHFE inventories than doubled in a little more than two weeks to 181,323 tons.

OI & VOLUME



SPREAD

| Commodity | Spread |
|----------------|--------|
| COPPER APR-MAR | 5.30 |

TRADING LEVELS

| Commodity | Expiry | Close | R2 | R1 | PP | S1 | S2 |
|------------|-----------|---------|---------|---------|---------|---------|---------|
| COPPER | 28-Mar-24 | 726.05 | 728.80 | 727.50 | 725.30 | 724.00 | 721.80 |
| COPPER | 30-Apr-24 | 731.35 | 733.50 | 732.50 | 730.60 | 729.60 | 727.70 |
| Lme Copper | | 8460.00 | 8523.00 | 8491.00 | 8460.00 | 8428.00 | 8397.00 |

TECHNICAL SNAPSHOT



BUY ZINC MAR @ 212 SL 210 TGT 215-217. MCX

OBSERVATIONS

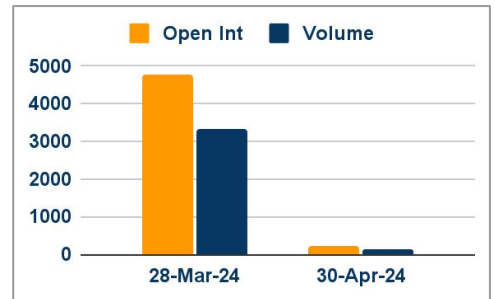
Zinc trading range for the day is 209.9-215.9.

Zinc dropped due to Fed's hawkish speech and the lower-than-expected increase in consumption.

Inventories in Shanghai Futures Exchange warehouses rose by 163.80%

China's refined zinc output in January 2024 decreased month-on-month by 4.05%

OI & VOLUME



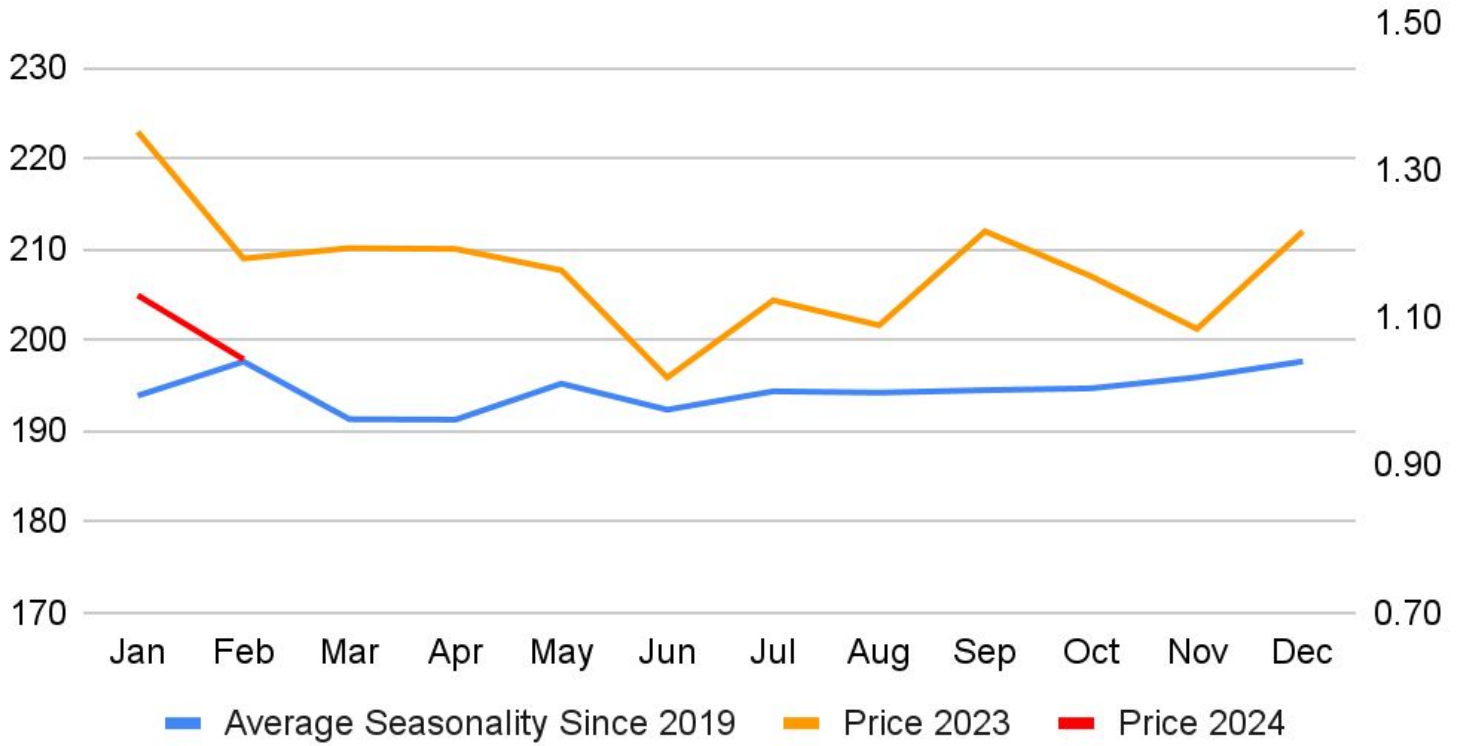
SPREAD

| Commodity | Spread |
|------------------|--------|
| ZINC APR-MAR | 1.05 |
| ZINCMINI APR-MAR | 1.10 |

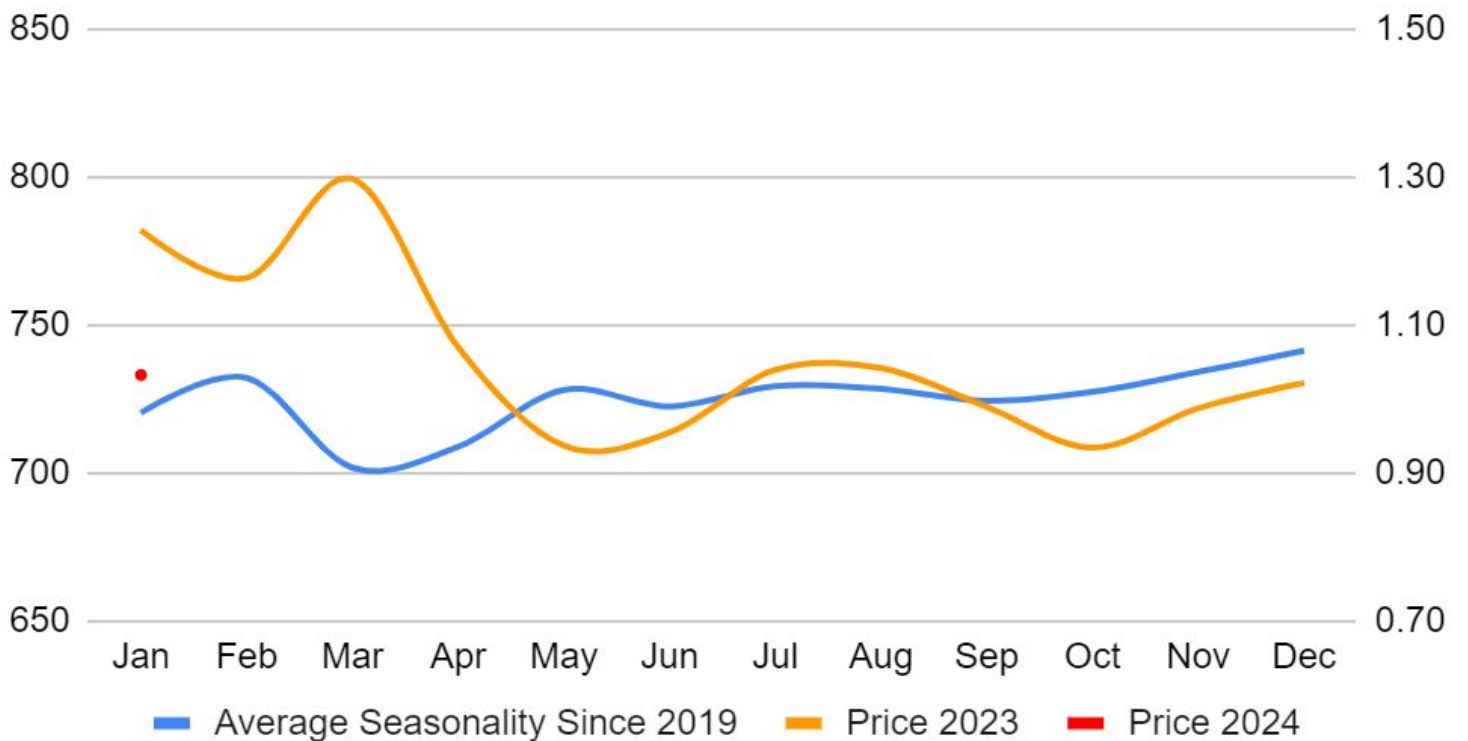
TRADING LEVELS

| Commodity | Expiry | Close | R2 | R1 | PP | S1 | S2 |
|-----------|-----------|---------|---------|---------|---------|---------|---------|
| ZINC | 28-Mar-24 | 213.55 | 215.90 | 214.70 | 212.90 | 211.70 | 209.90 |
| ZINC | 30-Apr-24 | 214.60 | 216.90 | 215.80 | 214.10 | 213.00 | 211.30 |
| ZINCMINI | 28-Mar-24 | 213.60 | 216.30 | 215.00 | 213.20 | 211.90 | 210.10 |
| ZINCMINI | 30-Apr-24 | 214.70 | 217.30 | 216.00 | 214.40 | 213.10 | 211.50 |
| Lme Zinc | | 2415.00 | 2452.00 | 2434.00 | 2403.00 | 2385.00 | 2354.00 |

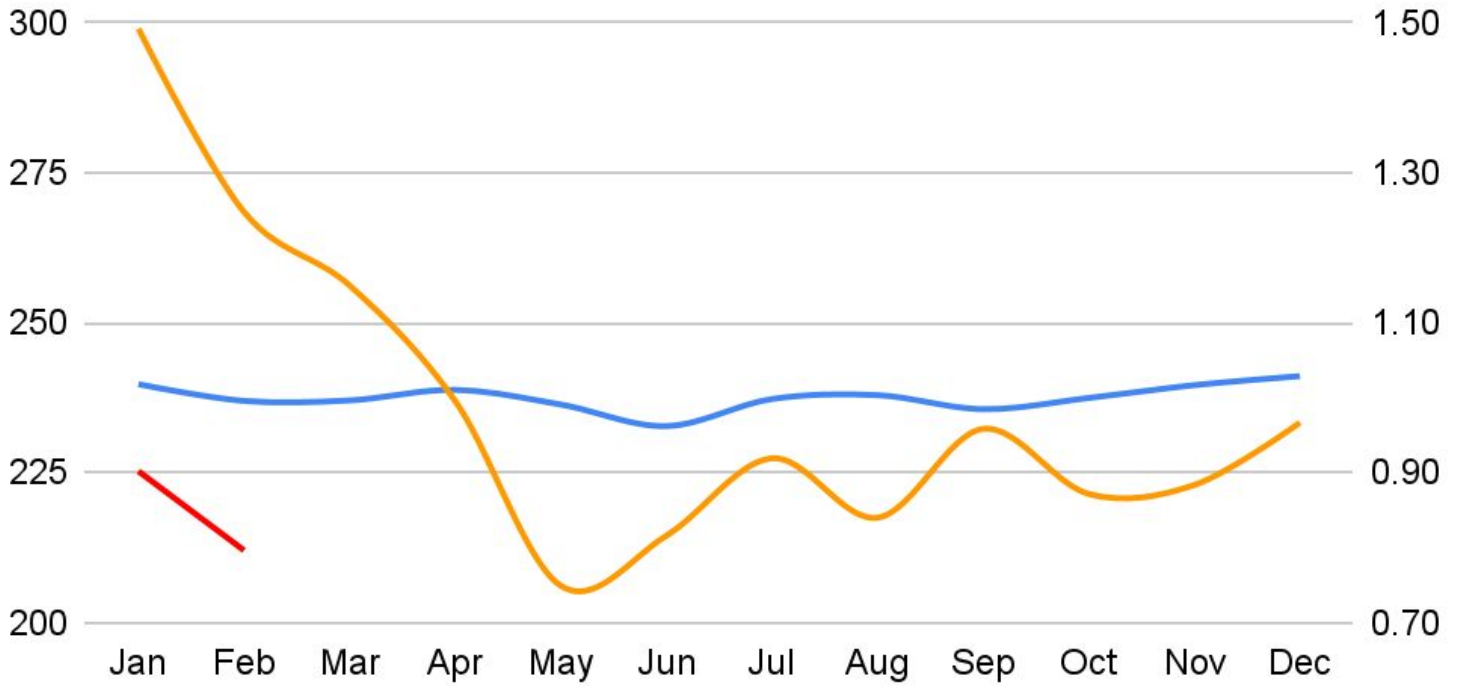
Aluminium Seasonality



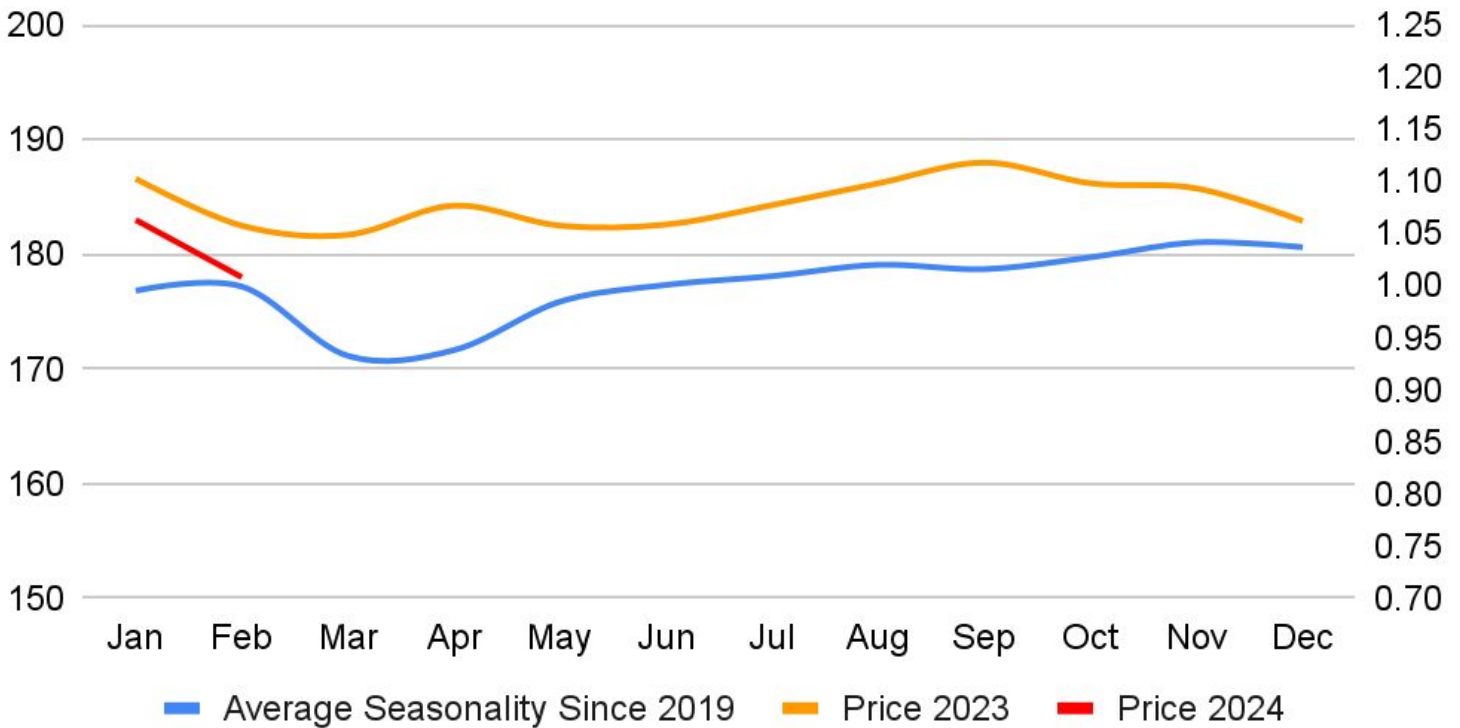
Copper Seasonality



Zinc Seasonality



Lead Seasonality



— Average Seasonality Since 2019 — Price 2023 — Price 2024

Weekly Economic Data

| Date | Curr. | Data |
|--------|-------|-----------------------------------|
| Feb 26 | USD | New Home Sales |
| Feb 27 | EUR | German GfK Consumer Climate |
| Feb 27 | USD | Core Durable Goods Orders m/m |
| Feb 27 | USD | Durable Goods Orders m/m |
| Feb 27 | USD | CB Consumer Confidence |
| Feb 27 | USD | Richmond Manufacturing Index |
| Feb 28 | USD | Prelim GDP q/q |
| Feb 28 | USD | Prelim GDP Price Index q/q |
| Feb 28 | USD | Goods Trade Balance |
| Feb 28 | USD | Prelim Wholesale Inventories m/m |
| Feb 28 | USD | Crude Oil Inventories |
| Feb 29 | EUR | French Final Private Payrolls q/q |
| Feb 29 | EUR | German Retail Sales m/m |

| Date | Curr. | Data |
|--------|-------|--------------------------------|
| Feb 29 | USD | Core PCE Price Index m/m |
| Feb 29 | USD | Unemployment Claims |
| Feb 29 | USD | Personal Income m/m |
| Feb 29 | USD | Personal Spending m/m |
| Feb 29 | USD | Chicago PMI |
| Feb 29 | USD | Pending Home Sales m/m |
| Feb 29 | USD | Natural Gas Storage |
| Mar 1 | EUR | CPI Flash Estimate y/y |
| Mar 1 | EUR | Unemployment Rate |
| Mar 1 | USD | Final Manufacturing PMI |
| Mar 1 | USD | ISM Manufacturing PMI |
| Mar 1 | USD | Revised UoM Consumer Sentiment |
| Mar 1 | USD | ISM Manufacturing Prices |

News you can Use

Orders for long-lasting U.S. manufactured goods fell by the most in nearly four years in January, while business investment on equipment appeared to have eased, signs that the economy lost momentum at the start of the year. Concerns about the economy's outlook, especially the labor market, and the upcoming presidential election were uppermost in consumers' minds in February resulting in confidence retreating after three straight monthly increases. The decline in confidence reported by the Conference Board on Tuesday was despite inflation expectations over the next 12 months falling to the lowest level in almost four years. The reports joined a stream of weak data, including retail sales, housing starts and manufacturing production. Some of the softness has been blamed on freezing temperatures last month as well as difficulties adjusting the data for seasonal fluctuations at the start of the year. Orders for durable goods, items ranging from toasters to aircraft meant to last three years or more, plunged 6.1% last month amid a sharp drop in commercial aircraft bookings, the Commerce Department's Census Bureau said. That was the largest decline since April 2020, when the economy was reeling from the first wave of COVID-19 infections.

The European Central Bank reported a record annual loss for 2023 and said further losses were likely as its aggressive interest rate hikes force it to pay out billions of euros to banks. The ECB, which has raised rates at an unprecedented pace over the past two years, has a bloated balance sheet after a decade of financial stimulus and commercial banks now earn hefty interest on the trillions of euros it printed during the era of anaemic inflation. "The loss... reflects the role and necessary policy actions of the Eurosystem in fulfilling its primary mandate of maintaining price stability and has no impact on its ability to conduct effective monetary policy," the ECB said. The ECB, the central bank for the 20-nation euro area said its loss before the release of provisions was 7.9 billion euros after a loss of 1.6 billion euros in 2022. Once all risk provisions are wiped out, a loss of 1.3 billion euros will be carried forward, to be offset against future profits, its financial accounts showed. The bank said it was still well-capitalised and could operate effectively regardless of any losses.

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KEDIA ADVISORY

KEDIA STOCKS & COMMODITIES RESEARCH PVT LTD

Mumbai, India

SEBI REGISTRATION NUMBER - INH000006156

For more details, please contact: +91 93234 06035 / 96195 51022

Email: info@kediaadvisory.com

Regd.Off.: 1, 2, 3 & 4, 1st Floor, Tulip Bldg, Flower Valley Complex, Khadakpada Circle,
Kalyan-(W), Mumbai-421301