



**KEDIA** ADVISORY

# DAILY BASE METALS REPORT

22 May 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-May-24	926.00	945.90	925.45	935.15	-1.35
ZINC	31-May-24	273.30	279.80	272.90	275.30	-9.68
ALUMINIUM	31-May-24	242.00	252.10	240.55	247.65	-21.33
LEAD	31-May-24	195.15	196.00	194.50	195.35	-38.15

## Open Interest Update

Commodity	Expiry	% Change	% Oi Change	Oi Status
COPPER	31-May-24	-0.14	-14.46	Long Liquidation
ZINC	31-May-24	0.09	-9.68	Short Covering
ALUMINIUM	31-May-24	2.14	-21.33	Short Covering
LEAD	31-May-24	0.05	-38.15	Short Covering

## International Update

Commodity	Open	High	Low	Close	% Change
Lme Copper	10971.00	11042.50	10774.50	10827.00	-1.29
Lme Zinc	3119.00	3187.00	3085.50	3122.00	-0.51
Lme Aluminium	2632.00	2769.00	2612.00	2723.00	3.54
Lme Lead	2336.00	2357.00	2320.00	2333.00	0.04
Lme Nickel	21572.50	21761.50	21133.50	21409.00	1.29

## Ratio Update

Ratio	Price	Ratio	Price
Gold / Silver Ratio	78.14	Crudeoil / Natural Gas Ratio	29.37
Gold / Crudeoil Ratio	11.27	Crudeoil / Copper Ratio	7.02
Gold / Copper Ratio	79.15	Copper / Zinc Ratio	3.40
Silver / Crudeoil Ratio	14.42	Copper / Lead Ratio	4.79
Silver / Copper Ratio	101.29	Copper / Aluminium Ratio	3.78

## TECHNICAL SNAPSHOT



**BUY ALUMINIUM MAY @ 246 SL 244 TGT 249-252. MCX**

### OBSERVATIONS

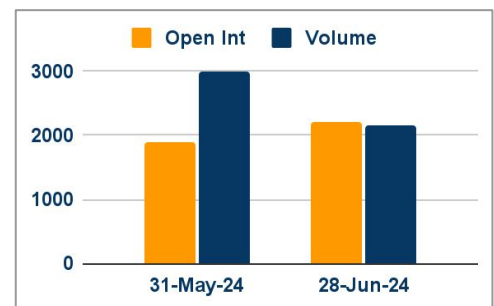
Aluminium trading range for the day is 235.2-258.4.

Aluminum rose after China announced fresh support for its ailing property sector.

On-warrant LME stocks in Malaysian Port Klang continued to soar, extending concerns of uncertain supply

China's primary aluminium production in April rose 7.2% from a year earlier, official data showed

### OI & VOLUME



### SPREAD

Commodity	Spread
ALUMINIUM JUN-MAY	-0.10
ALUMINI JUN-MAY	0.15

### TRADING LEVELS

Commodity	Expiry	Close	R2	R1	PP	S1	S2
ALUMINIUM	31-May-24	247.65	258.40	253.10	246.80	241.50	235.20
ALUMINIUM	28-Jun-24	247.55	258.40	253.00	246.20	240.80	234.00
ALUMINI	31-May-24	248.10	258.30	253.30	247.30	242.30	236.30
ALUMINI	28-Jun-24	248.25	259.40	253.80	246.90	241.30	234.40
Lme Aluminium		2723.00	2858.00	2790.00	2701.00	2633.00	2544.00



**TECHNICAL SNAPSHOT**



**BUY COPPER MAY @ 932 SL 927 TGT 938-942. MCX**

**OBSERVATIONS**

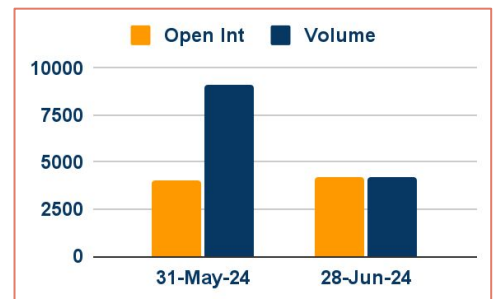
Copper trading range for the day is 915-956.

Copper dropped on profit booking after prices rose as bets of higher demand in China magnified concerns of supply deficits.

Low copper availability hampered output forecasts for smelters in China, responsible for over half of global supply

Chile's Cochilco raises 2024, 2025 copper price estimates

**OI & VOLUME**



**SPREAD**

Commodity	Spread
COPPER JUN-MAY	7.10

**TRADING LEVELS**

Commodity	Expiry	Close	R2	R1	PP	S1	S2
COPPER	31-May-24	935.15	956.00	945.60	935.50	925.10	915.00
COPPER	28-Jun-24	942.25	963.70	953.10	942.80	932.20	921.90
Lme Copper		10827.00	11149.00	10987.50	10881.00	10719.50	10613.00

TECHNICAL SNAPSHOT



**BUY ZINC MAY @ 273 SL 270 TGT 276-279. MCX**

OBSERVATIONS

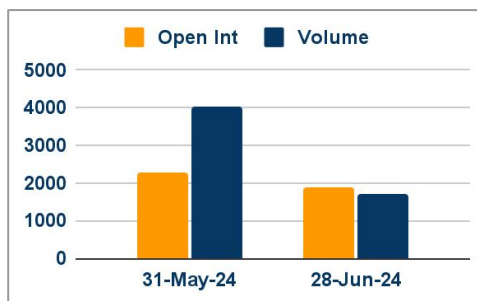
OI & VOLUME

Zinc trading range for the day is 269.1-282.9.

Zinc gains amid China's recent stimulus measures for clues on future construction demand.

China's industrial production expanded by 6.7% year-on-year in April 2024, faster than a 4.5% growth in the previous month.

China's retail sales rose by 2.3% year-on-year in April 2024



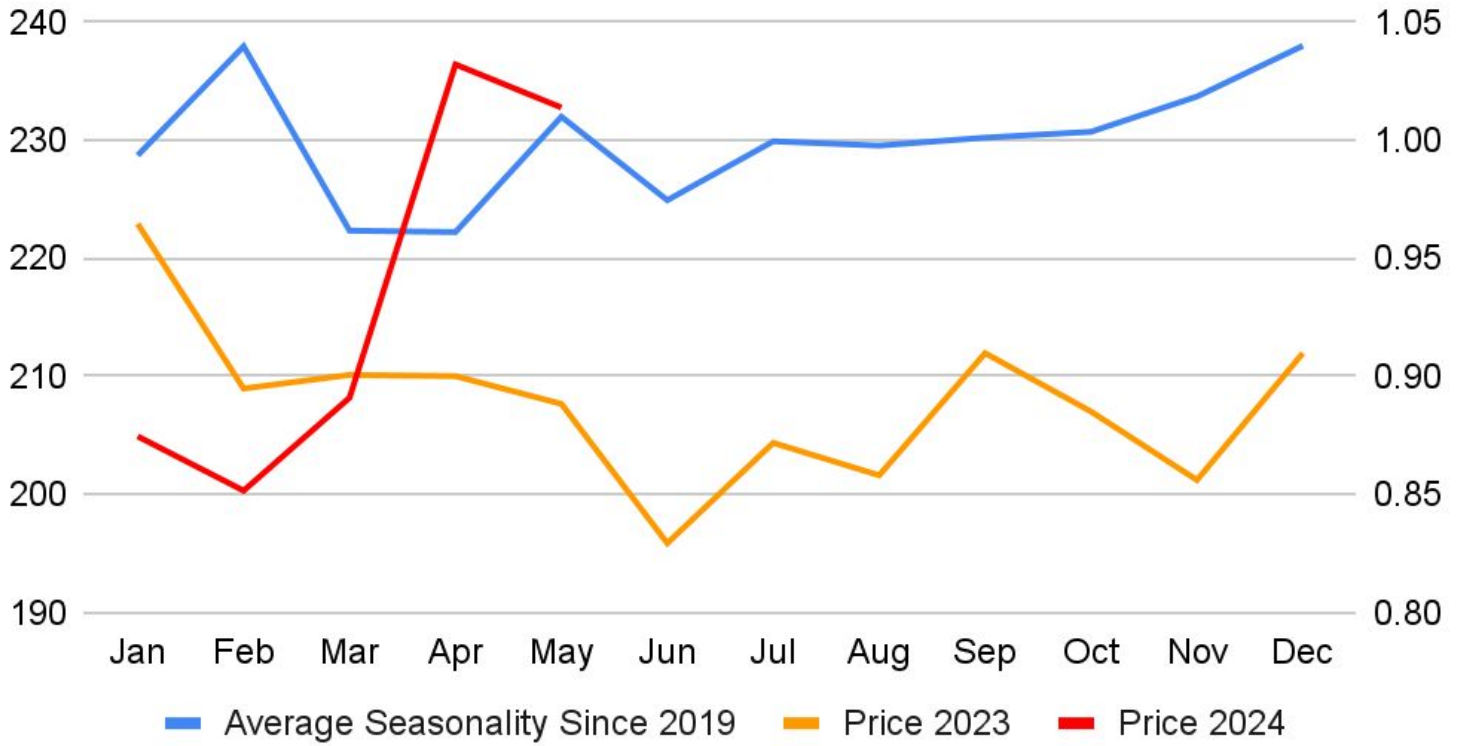
SPREAD

Commodity	Spread
ZINC JUN-MAY	0.75
ZINCMINI JUN-MAY	0.85

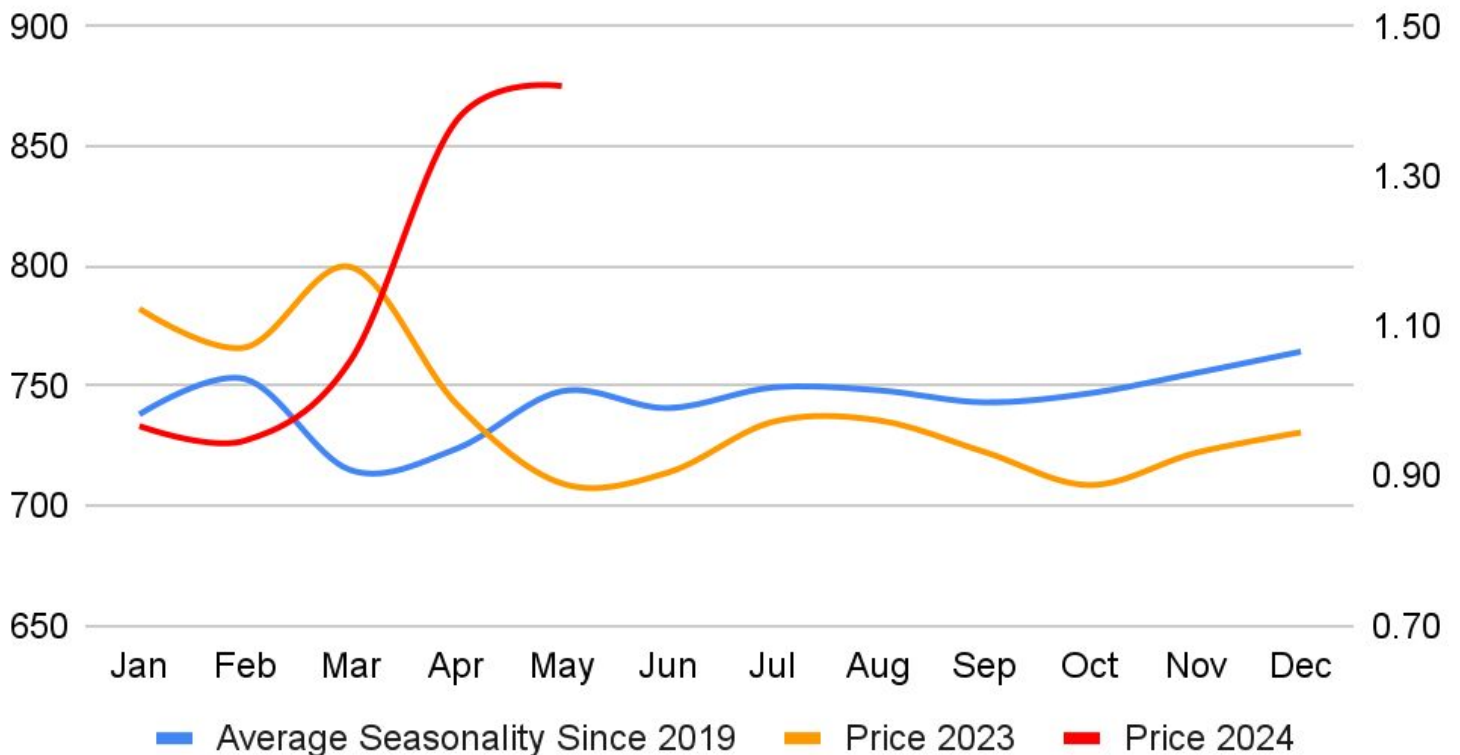
TRADING LEVELS

Commodity	Expiry	Close	R2	R1	PP	S1	S2
ZINC	31-May-24	275.30	282.90	279.10	276.00	272.20	269.10
ZINC	28-Jun-24	276.05	283.80	280.00	277.20	273.40	270.60
ZINCMINI	31-May-24	275.15	282.80	279.00	275.80	272.00	268.80
ZINCMINI	28-Jun-24	276.00	283.60	279.80	277.00	273.20	270.40
Lme Zinc		3122.00	3233.50	3178.50	3132.00	3077.00	3030.50

### Aluminium Seasonality

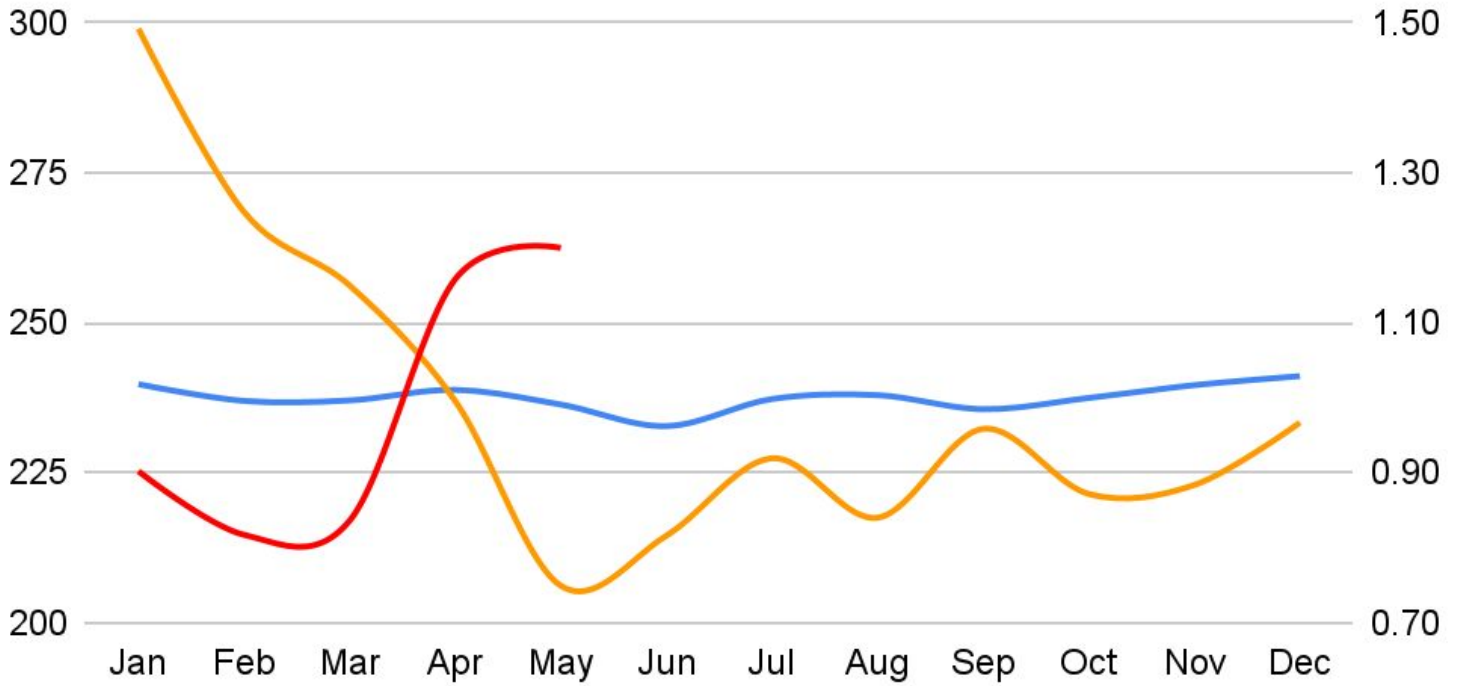


### Copper Seasonality

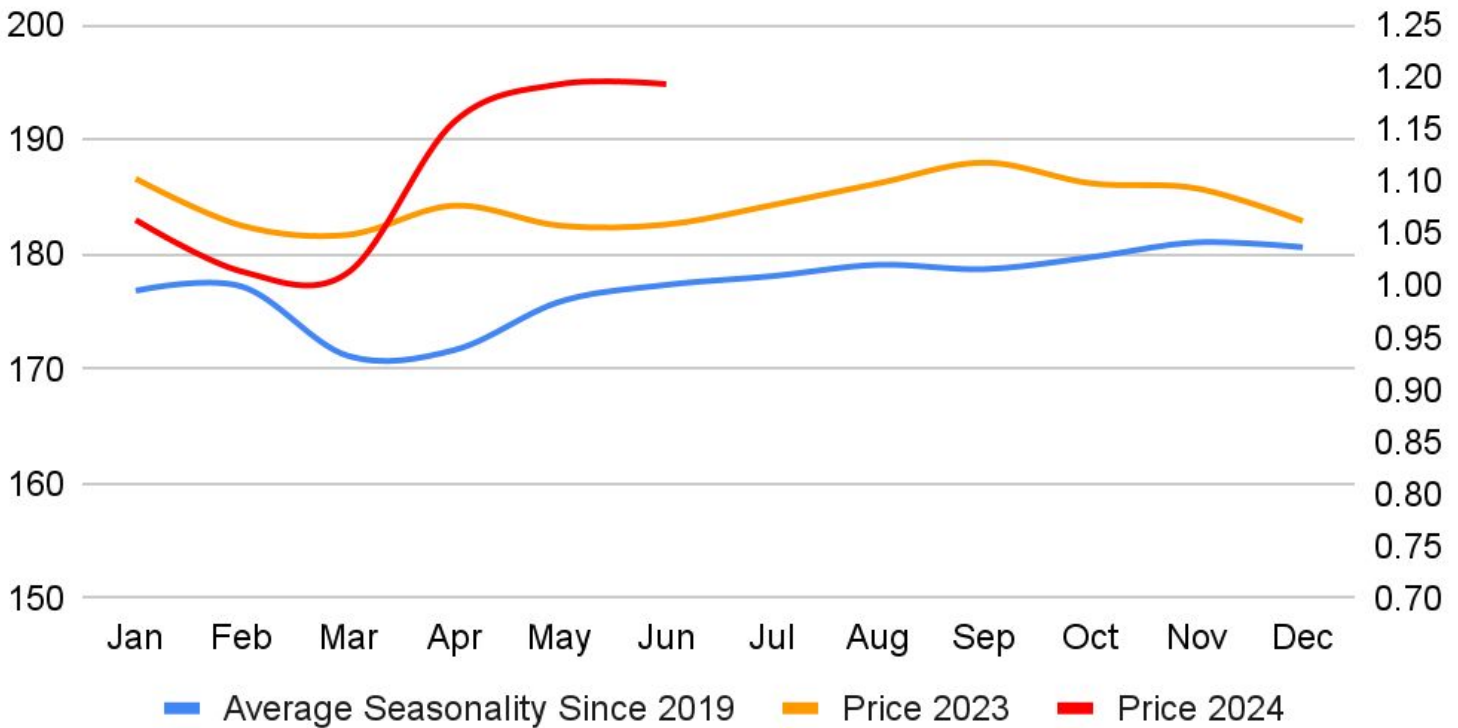




### Zinc Seasonality



### Lead Seasonality



■ Average Seasonality Since 2019    
 ■ Price 2023    
 ■ Price 2024

## Weekly Economic Data

Date	Curr.	Data	Date	Curr.	Data
May 21	EUR	German PPI m/m	May 23	EUR	Flash Services PMI
May 21	EUR	Current Account	May 23	GBP	Flash Manufacturing PMI
May 21	EUR	Trade Balance	May 23	GBP	Flash Services PMI
May 22	GBP	CPI y/y	May 23	USD	Unemployment Claims
May 22	GBP	Core CPI y/y	May 23	USD	Flash Manufacturing PMI
May 22	GBP	PPI Input m/m	May 23	USD	Flash Services PMI
May 22	GBP	PPI Output m/m	May 23	EUR	Consumer Confidence
May 22	USD	Existing Home Sales	May 23	USD	New Home Sales
May 22	USD	Crude Oil Inventories	May 23	USD	Natural Gas Storage
May 22	USD	FOMC Meeting Minutes	May 24	EUR	German Final GDP q/q
May 23	EUR	French Flash Manufacturing PMI	May 24	GBP	Retail Sales m/m
May 23	EUR	French Flash Services PMI	May 24	USD	Core Durable Goods Orders m/m
May 23	EUR	German Flash Manufacturing PMI	May 24	USD	Durable Goods Orders m/m

## News you can Use

China's industrial output grew 6.7% year-on-year in April, accelerating from the 4.5% pace seen in March, as the recovery in the manufacturing sector gathered pace. The official data released by the National Bureau of Statistics (NBS) came above a 5.5% increase in a poll. However, retail sales, a gauge of consumption, rose 2.3% in April, slowing from a 3.1% increase in March. Fixed asset investment expanded 4.2% in the first four months of 2024 from the same period a year earlier, versus expectations for a 4.6% rise. It grew 4.5% in first three months. Economic data released earlier this month painted a mixed picture for April. China's exports and imports returned to growth in April after contracting in the previous month while consumer prices rose for the third straight month. But China's new bank lending fell more than expected in April from the previous month while broad credit growth hit a record low, raising the prospect of more policy support for the economy. The government has set an ambitious 2024 growth target of around 5%. China's economy expanded a faster-than-expected 5.3% in the first three months of this year.

The number of Americans filing new claims for unemployment benefits fell last week, pointing to underlying strength in the labor market. Initial claims for state unemployment benefits dropped 10,000 to a seasonally adjusted 222,000 for the week ended May 11, the Labor Department said. The decline reversed a portion of the jump in the prior week, which had pushed claims to the highest level in more than eight months. The increase was largely attributed to a surge in applications in New York related to school spring breaks. Though the labor market remains healthy, it is steadily rebalancing in the wake of 525 basis points worth of interest rate hikes from the Federal Reserve since March 2022 to cool demand in the overall economy. Easing labor market conditions and the resumption in inflation's downward trend have raised the odds of a rate cut in September. The U.S. central bank last month left its benchmark overnight interest rate unchanged in the current 5.25%-5.50% range, where it has been since July. The number of people receiving benefits after an initial week of aid, a proxy for hiring, increased 13,000 to a seasonally adjusted 1.794 million during the week ending May 4, the claims report showed.



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