



KEDIA ADVISORY

DAILY BASE METALS REPORT

2 Jan 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	31-Jan-24	730.35	731.85	729.40	731.10	0.55
ZINC	31-Jan-24	233.00	233.85	232.60	233.15	-0.49
ALUMINIUM	31-Jan-24	211.30	212.70	211.25	212.10	0.00
LEAD	31-Jan-24	183.05	183.05	182.60	182.75	0.14

Open Interest Update

Commodity	Expiry	% Change	% Oi Change	Oi Status
COPPER	31-Jan-24	0.08	0.47	Fresh Buying
ZINC	31-Jan-24	-0.06	-0.49	Long Liquidation
ALUMINIUM	31-Jan-24	0.07	0.00	Short Covering
LEAD	31-Jan-24	-0.08	0.14	Fresh Selling

International Update

Commodity	Open	High	Low	Close	% Change
Lme Copper	8590.00	8580.00	8580.00	8559.00	-0.76
Lme Zinc	2650.00	2653.00	2650.00	2658.00	0.64
Lme Aluminium	2382.00	2382.00	2381.00	2384.00	0.25
Lme Lead	2077.00	2067.00	2068.00	2068.50	-0.86
Lme Nickel	16525.00	16570.00	16525.00	16603.00	-0.78

Ratio Update

Ratio	Price	Ratio	Price
Gold / Silver Ratio	85.12	Crudeoil / Natural Gas Ratio	28.18
Gold / Crudeoil Ratio	10.51	Crudeoil / Copper Ratio	8.24
Gold / Copper Ratio	86.61	Copper / Zinc Ratio	3.14
Silver / Crudeoil Ratio	12.34	Copper / Lead Ratio	4.00
Silver / Copper Ratio	101.75	Copper / Aluminium Ratio	3.45

TECHNICAL SNAPSHOT

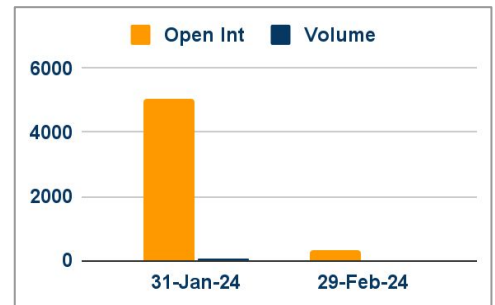


SELL ALUMINIUM JAN @ 213 SL 215 TGT 211-209. MCX

OBSERVATIONS

- Aluminium trading range for the day is 210.5-213.5.
- Aluminium gains as Qinghai earthquake prompts power management, impacting aluminium supply.
- Aluminium stocks over the past two days rose by 42,400 metric tons to 551,050, the highest since June 19.
- Aluminum production hub Qinghai issues power rationing emergency plan

OI & VOLUME



SPREAD

Commodity	Spread
ALUMINIUM FEB-JAN	2.10
ALUMINI FEB-JAN	1.50

TRADING LEVELS

Commodity	Expiry	Close	R2	R1	PP	S1	S2
ALUMINIUM	31-Jan-24	212.10	213.50	212.80	212.00	211.30	210.50
ALUMINIUM	29-Feb-24	214.20	214.70	214.50	214.20	214.00	213.70
ALUMINI	31-Jan-24	212.05	213.20	212.60	212.00	211.40	210.80
ALUMINI	29-Feb-24	213.55	214.30	213.90	213.60	213.20	212.90
Lme Aluminium		2384.00	2383.00	2383.00	2382.00	2382.00	2381.00

TECHNICAL SNAPSHOT



SELL COPPER JAN @ 733 SL 737 TGT 728-725. MCX

OBSERVATIONS

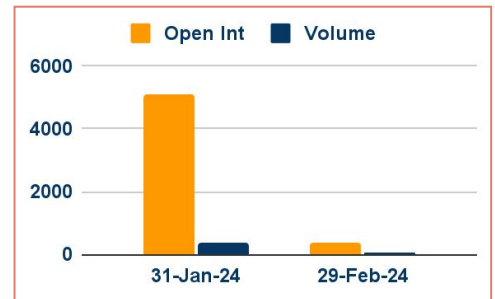
Copper trading range for the day is 728.4-733.2.

Copper remained in range as demand in China was subdued after a burst of restocking seen recently

China aims to expand domestic demand, ensure speedy recovery, promote stable growth

China smelters cut Q1 copper guidance price as supply outlook tightens

OI & VOLUME



SPREAD

Commodity	Spread
COPPER FEB-JAN	6.30

TRADING LEVELS

Commodity	Expiry	Close	R2	R1	PP	S1	S2
COPPER	31-Jan-24	731.10	733.20	732.20	730.80	729.80	728.40
COPPER	29-Feb-24	737.40	739.30	738.40	737.10	736.20	734.90
Lme Copper		8559.00	8573.00	8566.00	8573.00	8566.00	8573.00

TECHNICAL SNAPSHOT



SELL ZINC JAN @ 234 SL 236 TGT 232-230. MCX

OBSERVATIONS

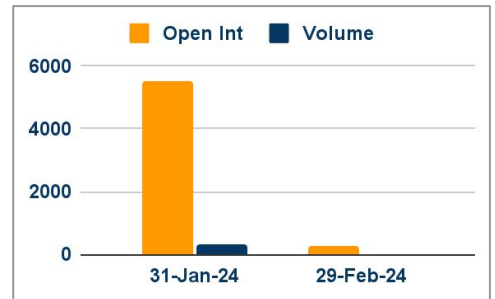
Zinc trading range for the day is 232-234.4.

Zinc settled flat as zinc inventories in SHFE warehouses fell -16.60% on weekly basis.

The market's optimism that the U.S. will cut interest rates as early as March continues to grow

The industrial outlook for the next year improved on hopes of early interest rate cuts from major central banks

OI & VOLUME

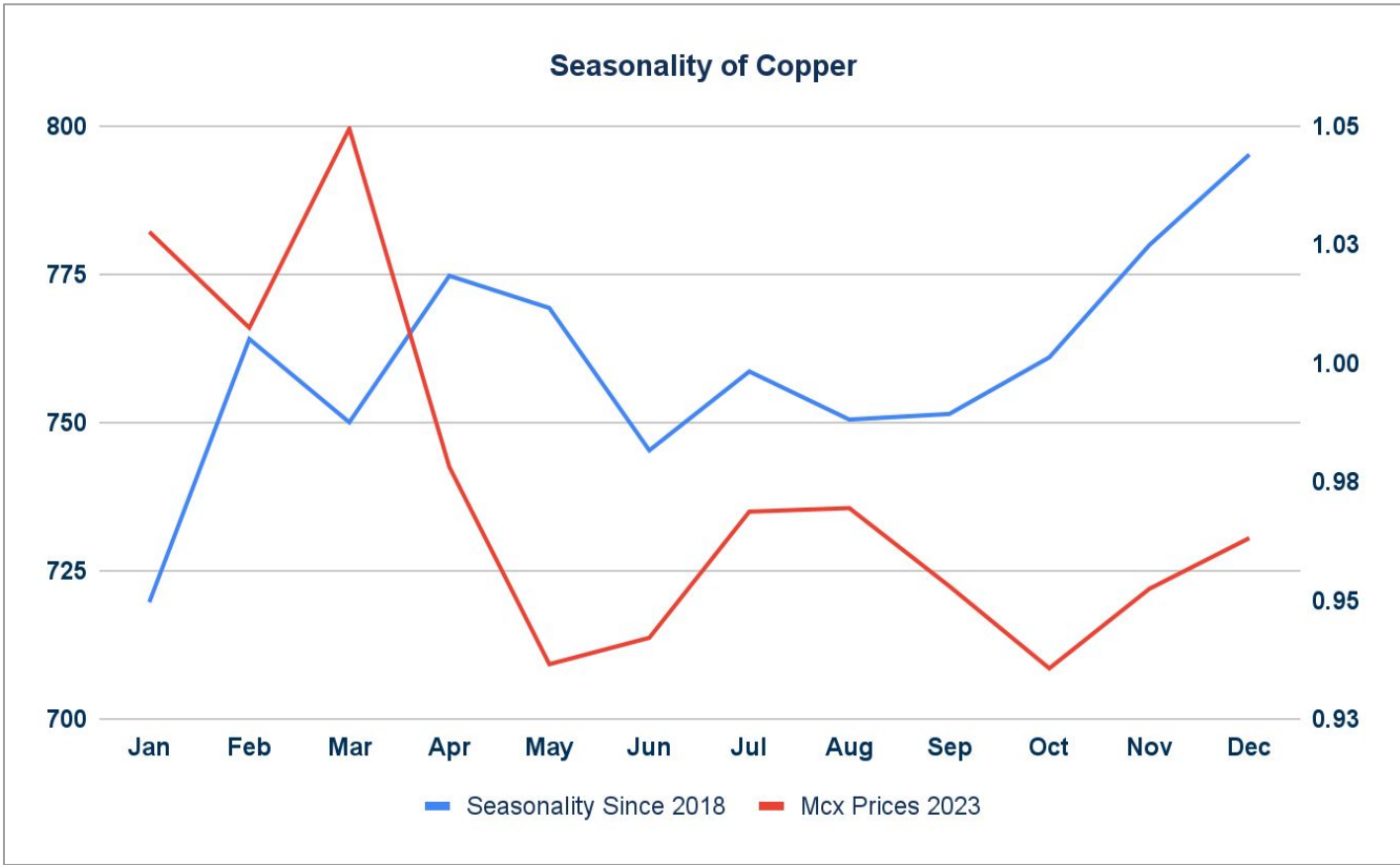
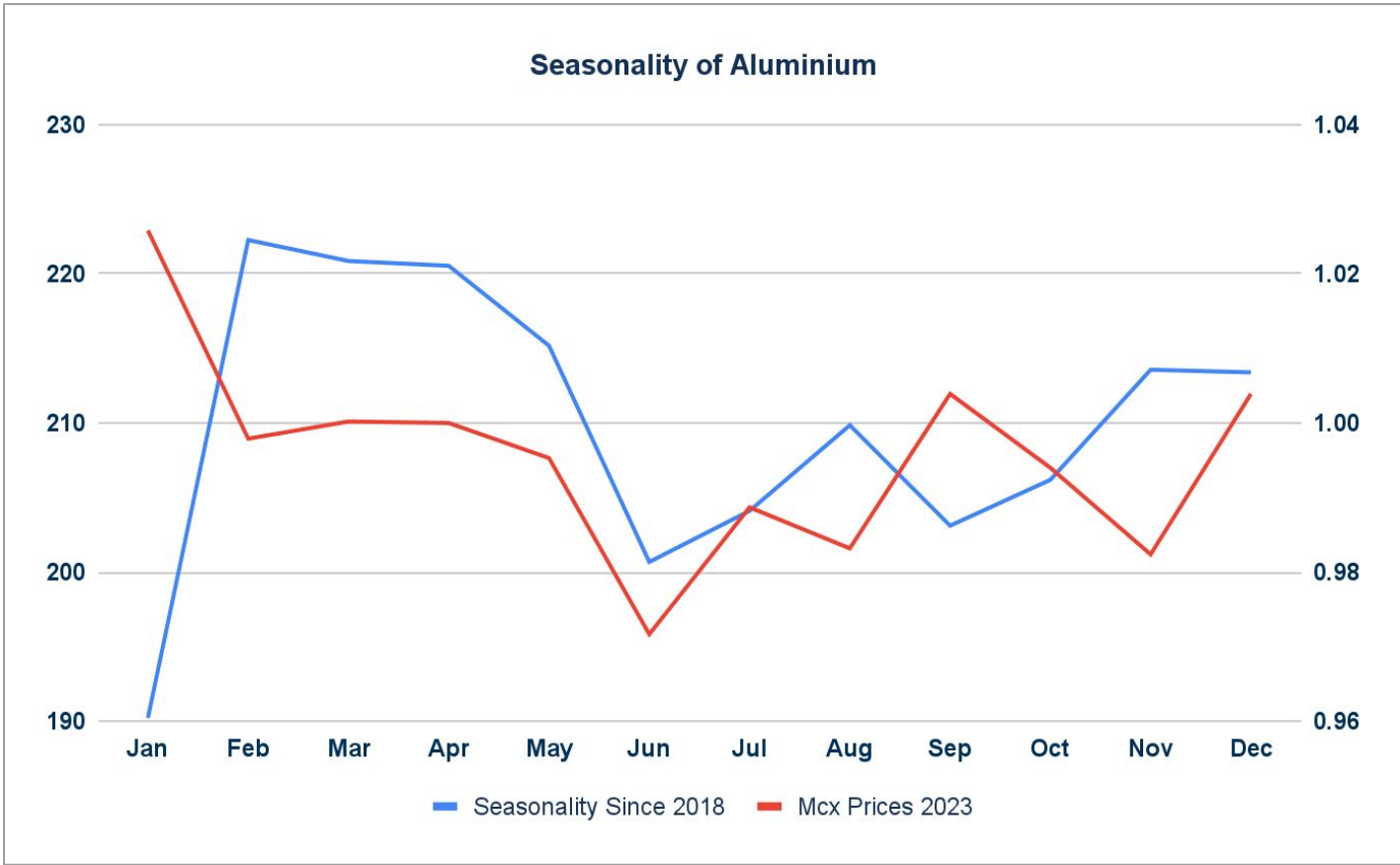


SPREAD

Commodity	Spread
ZINC FEB-JAN	2.00
ZINCMINI FEB-JAN	1.65

TRADING LEVELS

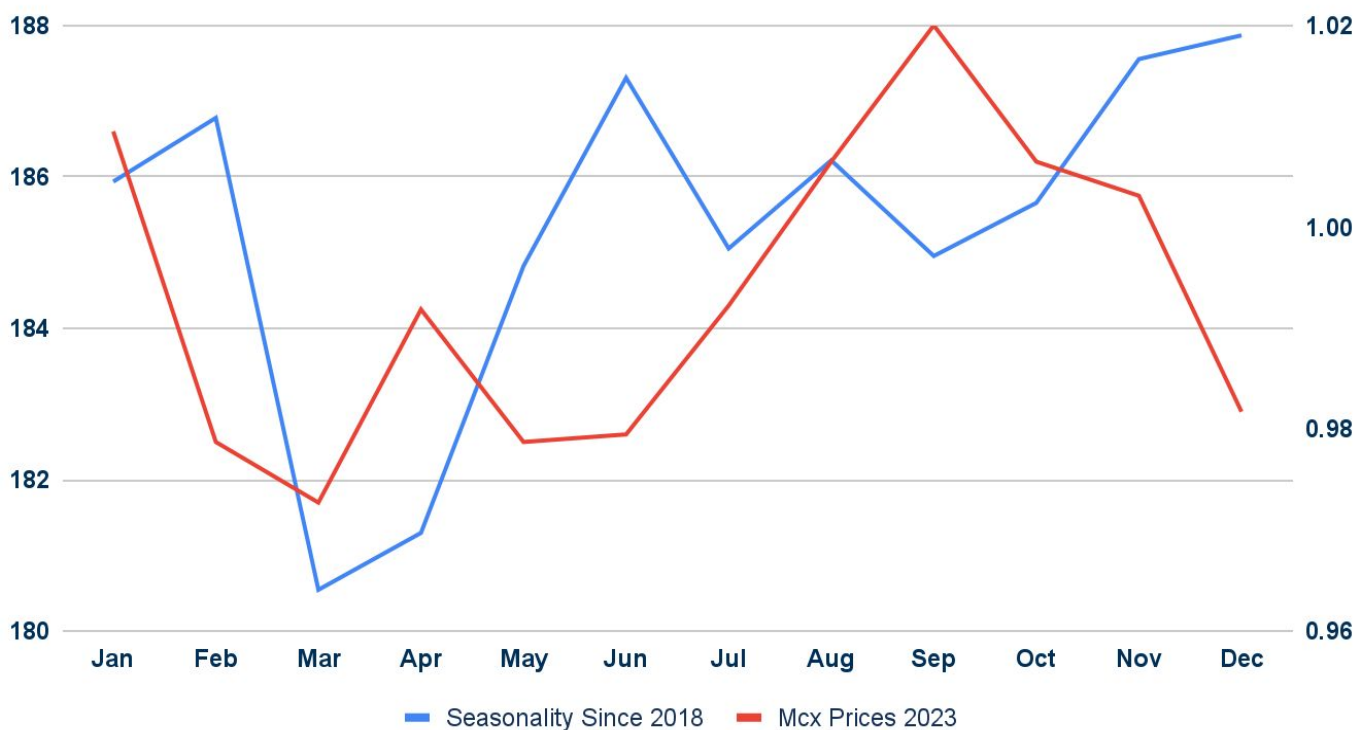
Commodity	Expiry	Close	R2	R1	PP	S1	S2
ZINC	31-Jan-24	233.15	234.40	233.80	233.20	232.60	232.00
ZINC	29-Feb-24	235.15	236.00	235.60	235.10	234.70	234.20
ZINCMINI	31-Jan-24	233.05	234.30	233.70	233.10	232.50	231.90
ZINCMINI	29-Feb-24	234.70	235.70	235.20	234.70	234.20	233.70
Lme Zinc		2658.00	2657.00	2658.00	2654.00	2655.00	2651.00



Seasonality of Zinc



Seasonality of Lead



Weekly Economic Data

Date	Curr.	Data	Date	Curr.	Data
Jan 2	EUR	Spanish Manufacturing PMI	Jan 4	USD	Challenger Job Cuts y/y
Jan 2	EUR	German Final Manufacturing PMI	Jan 4	USD	ADP Non-Farm Change
Jan 2	EUR	Final Manufacturing PMI	Jan 4	USD	Unemployment Claims
Jan 2	EUR	M3 Money Supply y/y	Jan 4	USD	Final Services PMI
Jan 2	USD	Final Manufacturing PMI	Jan 4	USD	Natural Gas Storage
Jan 2	USD	Construction Spending m/m	Jan 4	USD	Crude Oil Inventories
Jan 3	EUR	Spanish Unemployment Change	Jan 5	EUR	German Retail Sales m/m
Jan 3	EUR	German Unemployment Change	Jan 5	EUR	Core CPI Flash Estimate y/y
Jan 3	USD	FOMC Member Barkin Speaks	Jan 5	EUR	CPI Flash Estimate y/y
Jan 3	USD	ISM Manufacturing PMI	Jan 5	EUR	PPI m/m
Jan 3	USD	JOLTS Job Openings	Jan 5	USD	Average Hourly Earnings m/m
Jan 3	USD	ISM Manufacturing Prices	Jan 5	USD	Non-Farm Employment Change
Jan 4	USD	FOMC Meeting Minutes	Jan 5	USD	Unemployment Rate

News you can Use

Japan's factory output declined in November, weighed by falls in autos production and clouding the outlook for the export-reliant economy. Industrial production fell 0.9% in November from the previous month, data from the Ministry of Economy, Trade and Industry (METI) showed. The reading was better than the median market forecast for a 1.6% drop. Motor vehicle production, which has underpinned industrial output, fell 2.5% in November from the prior month due to slowdowns in the manufacturing of small cars and engines, a METI official said. Output of electrical machinery and information and communication electronics equipment also fell 3.5%, due to sluggish demand in semiconductor and integrated-circuit testing equipment, the official said. Manufacturers surveyed by the industry ministry expect seasonally adjusted output to increase 6.0% in December and decline 7.2% in January. METI maintained its assessment of industrial output as "seesawing". Furthermore, a production halt at Toyota Motor (NYSE:TM)'s small car-unit Daihatsu due to safety scandal is expected to add downward pressure on output from January onward, the METI official said. Regarding the outlook on semiconductor production, the METI official expected a gradual recovery.

China's manufacturing activity likely contracted for the third consecutive month, weighed by soft demand for manufactured goods, a reading that would embolden calls for more policy support. The official purchasing managers' index (PMI) likely was at 49.5 in December from last month's 49.4, according to the median forecast of 24 economists in a poll conducted 22-28 December. The 50-point mark separates growth from contraction. The world's second-biggest economy has staggered following a feeble post-pandemic recovery, held back by a property crisis, local government debt risks and slow global growth. The government has in recent months unveiled a series of measures to prop up growth. New bank lending in China jumped less than expected in November, even as the central bank keeps policy accommodative to lift confidence and spur the recovery. China will strive to expand domestic demand, ensure a speedy economic recovery and promote stable growth, according to an interim report on the country's 14th five-year plan published by parliament.

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