



KEDIA ADVISORY

DAILY BASE METALS REPORT

29 Dec 2023

- 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	739.25	740.20	734.10	734.70	-4.60
ZINC	31-Jan-24	232.30	233.15	231.05	231.95	1.23
ALUMINIUM	31-Jan-24	211.75	213.25	210.10	211.15	0.31
LEAD	31-Jan-24	183.30	183.50	182.70	183.10	-2.51

Open Interest Update

Commodity	Expiry	% Change	% Oi Change	Oi Status
COPPER	31-Jan-24	-0.62	-0.94	Long Liquidation
ZINC	31-Jan-24	-0.19	1.23	Fresh Selling
ALUMINIUM	31-Jan-24	-0.42	0.31	Fresh Selling
LEAD	31-Jan-24	-0.14	-2.51	Long Liquidation

International Update

Commodity	Open	High	Low	Close	% Change
Lme Copper	8693.50	8715.00	8619.50	8621.00	-0.80
Lme Zinc	2643.00	2656.00	2627.50	2634.00	-0.28
Lme Aluminium	2389.50	2400.00	2357.50	2371.00	-0.67
Lme Lead	2088.00	2099.00	2078.00	2086.00	-0.02
Lme Nickel	16750.00	16700.00	16725.00	16938.00	2.60

Ratio Update

Ratio	Price	Ratio	Price
Gold / Silver Ratio	84.56	Crudeoil / Natural Gas Ratio	28.49
Gold / Crudeoil Ratio	10.48	Crudeoil / Copper Ratio	8.23
Gold / Copper Ratio	86.28	Copper / Zinc Ratio	3.17
Silver / Crudeoil Ratio	12.39	Copper / Lead Ratio	4.01
Silver / Copper Ratio	102.03	Copper / Aluminium Ratio	3.48

TECHNICAL SNAPSHOT

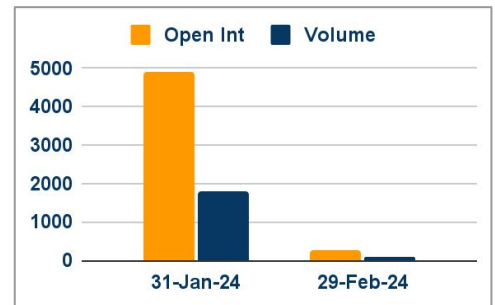


BUY ALUMINIUM JAN @ 210 SL 208 TGT 212-214. MCX

OBSERVATIONS

- Aluminium trading range for the day is 208.4-214.6.
- Aluminium dropped as LME inventories in jumped to fresh highs this week.
- 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	1.60
ALUMINI JAN-DEC	2.15

TRADING LEVELS

Commodity	Expiry	Close	R2	R1	PP	S1	S2
ALUMINIUM	31-Jan-24	211.15	214.60	212.90	211.50	209.80	208.40
ALUMINIUM	29-Feb-24	212.75	216.00	214.40	213.20	211.60	210.40
ALUMINI	29-Dec-23	208.90	208.90	208.90	208.90	208.90	208.90
ALUMINI	31-Jan-24	211.05	214.40	212.80	211.50	209.90	208.60
Lme Aluminium		2371.00	2418.50	2394.50	2376.00	2352.00	2333.50

TECHNICAL SNAPSHOT



BUY COPPER JAN @ 725 SL 721 TGT 729-733. MCX

OBSERVATIONS

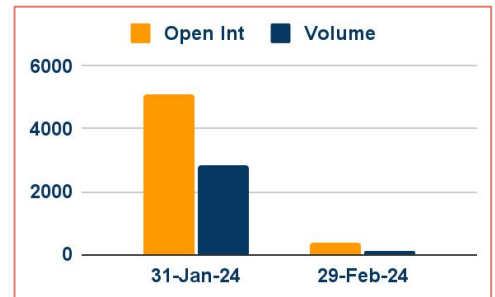
Copper trading range for the day is 730.2-742.4.

Copper prices dropped 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	6.35

TRADING LEVELS

Commodity	Expiry	Close	R2	R1	PP	S1	S2
COPPER	31-Jan-24	734.70	742.40	738.50	736.30	732.40	730.20
COPPER	29-Feb-24	741.05	747.80	744.50	742.50	739.20	737.20
Lme Copper		8621.00	8747.50	8684.50	8652.00	8589.00	8556.50

TECHNICAL SNAPSHOT

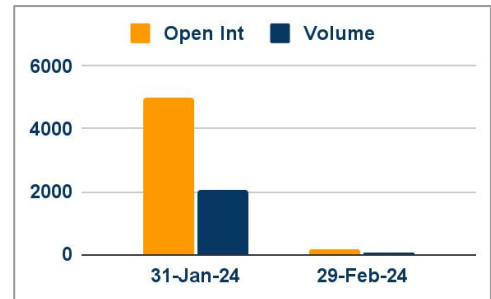


BUY ZINC JAN @ 231 SL 229 TGT 233-235. MCX

OBSERVATIONS

- Zinc trading range for the day is 230-234.2.
- Zinc dropped as Global zinc market deficit shrinks in October
- 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

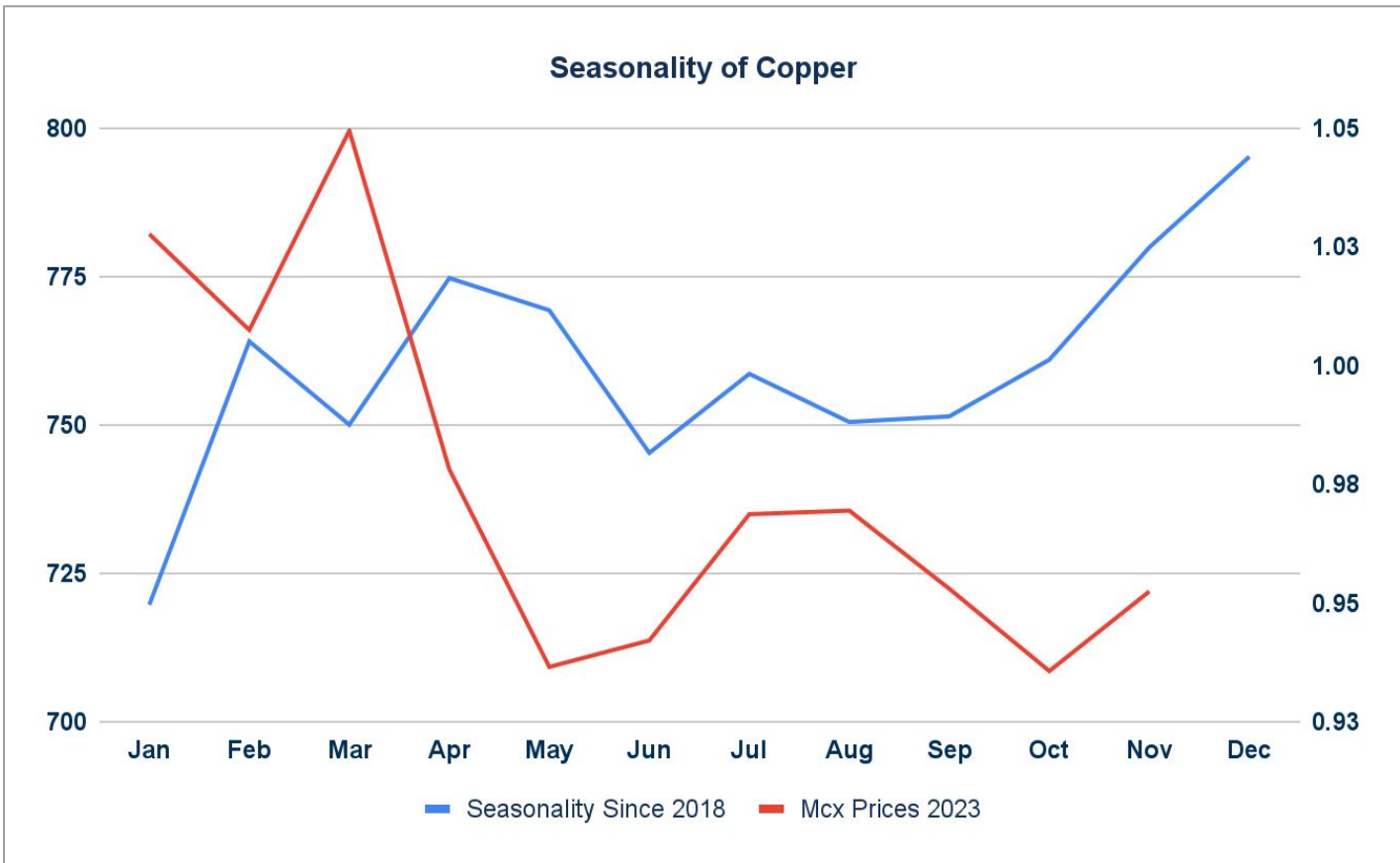
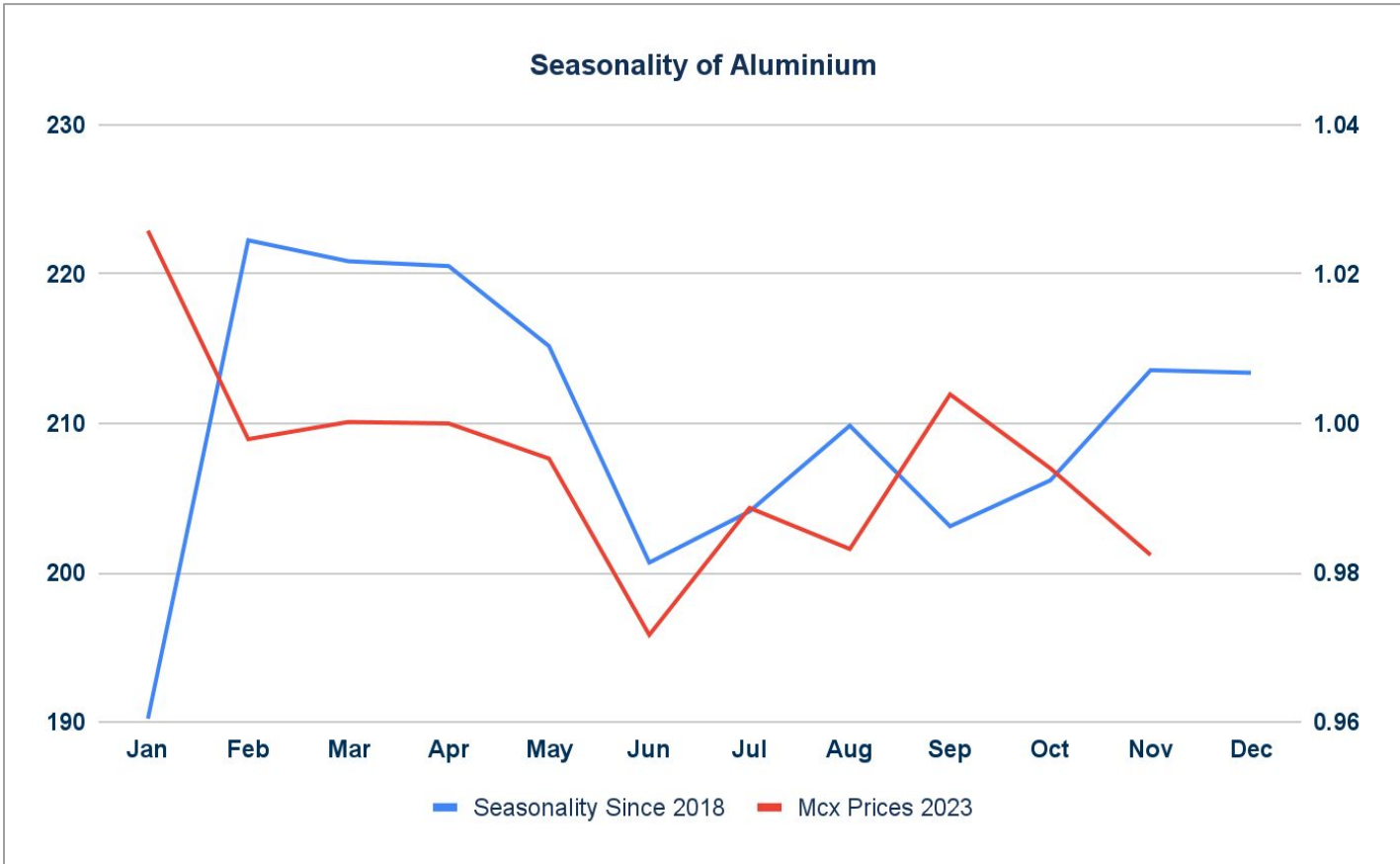


SPREAD

Commodity	Spread
ZINC FEB-JAN	1.75
ZINCMINI JAN-DEC	1.20

TRADING LEVELS

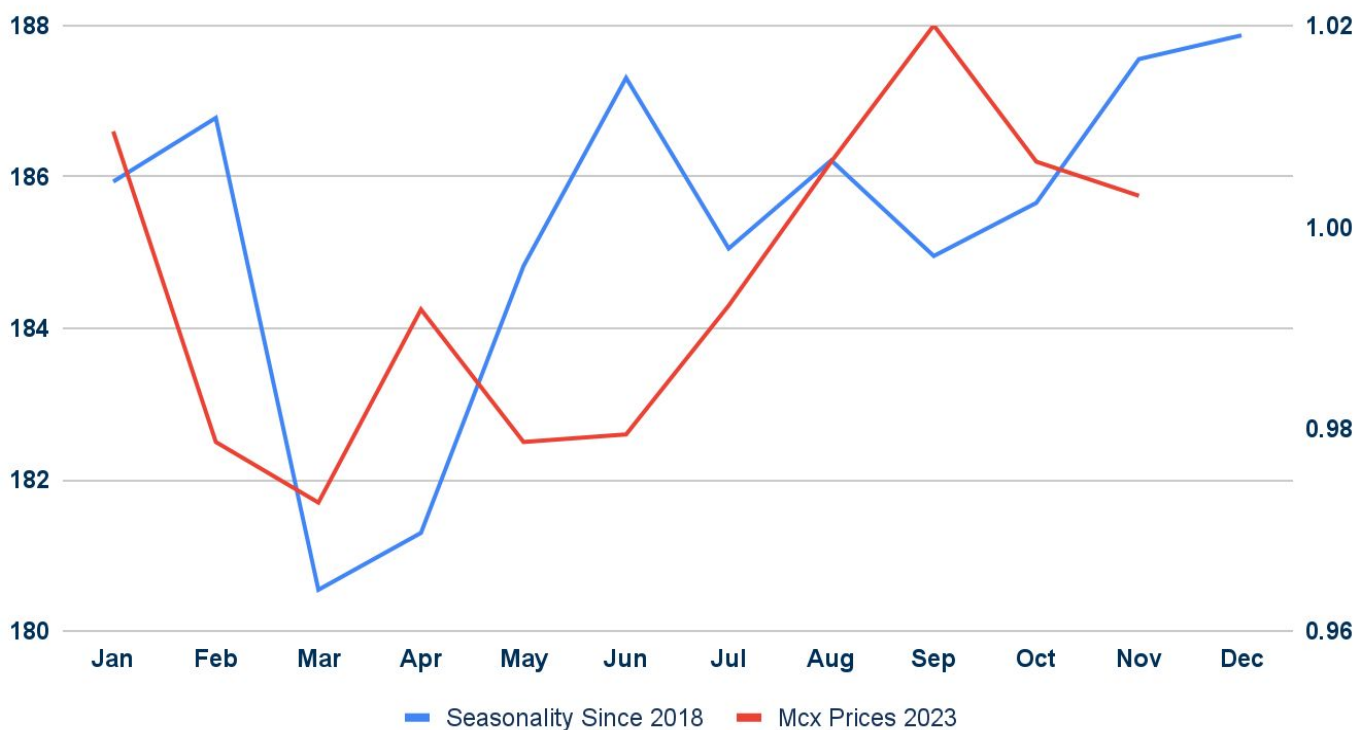
Commodity	Expiry	Close	R2	R1	PP	S1	S2
ZINC	31-Jan-24	231.95	234.20	233.20	232.10	231.10	230.00
ZINC	29-Feb-24	233.70	235.60	234.70	233.80	232.90	232.00
ZINCMINI	29-Dec-23	230.70	233.90	232.40	230.70	229.20	227.50
ZINCMINI	31-Jan-24	231.90	233.90	232.90	232.00	231.00	230.10
Lme Zinc		2634.00	2667.50	2650.50	2639.00	2622.00	2610.50



Seasonality of Zinc



Seasonality of Lead



Weekly Economic Data

Date	Curr.	Data
Dec 25	EUR	Bank Holiday
Dec 18	GBP	Bank Holiday
Dec 19	USD	Bank Holiday
Dec 26	AUD	Bank Holiday
Dec 26	JPY	Unemployment Rate
Dec 26	JPY	SPPI y/y
Dec 26	JPY	BOJ Core CPI y/y
Dec 26	CHF	Bank Holiday
Dec 26	EUR	German Bank Holiday
Dec 26	EUR	Italian Bank Holiday
Dec 26	GBP	Bank Holiday
Dec 26	CAD	Bank Holiday
Dec 26	USD	HPI m/m

Date	Curr.	Data
Dec 27	JPY	Housing Starts y/y
Dec 27	CHF	Credit Suisse Economic Expectations
Dec 27	USD	Richmond Manufacturing Index
Dec 28	JPY	Prelim Industrial Production m/m
Dec 28	JPY	Retail Sales y/y
Dec 28	USD	Unemployment Claims
Dec 28	USD	Goods Trade Balance
Dec 28	USD	Prelim Wholesale Inventories m/m
Dec 28	USD	Pending Home Sales m/m
Dec 28	USD	Natural Gas Storage
Dec 28	USD	Crude Oil Inventories
Dec 29	GBP	Nationwide HPI m/m
Dec 29	CHF	KOF Economic Barometer

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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