

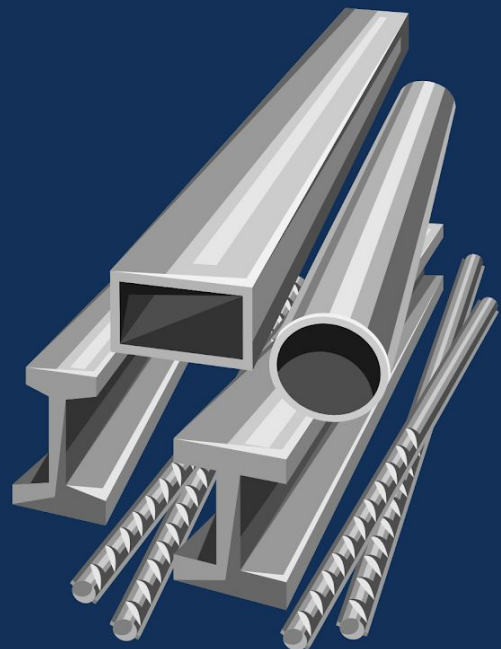


KEDIA ADVISORY

DAILY BASE METALS REPORT

6 Oct 2023

- 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-Oct-23 | 702.20 | 702.90 | 695.65 | 696.70 | -2.80 |
| ZINC | 31-Oct-23 | 222.50 | 223.20 | 221.10 | 221.45 | -4.51 |
| ALUMINIUM | 31-Oct-23 | 205.55 | 206.10 | 204.60 | 205.55 | -0.39 |
| LEAD | 31-Oct-23 | 186.90 | 187.45 | 186.50 | 187.15 | -6.08 |

Open Interest Update

| Commodity | Expiry | % Change | % Oi Change | Oi Status |
|-----------|-----------|----------|-------------|------------------|
| COPPER | 31-Oct-23 | -0.40 | 5.47 | Fresh Selling |
| ZINC | 31-Oct-23 | -0.32 | -4.51 | Long Liquidation |
| ALUMINIUM | 31-Oct-23 | 0.05 | -0.39 | Short Covering |
| LEAD | 31-Oct-23 | 0.16 | -6.08 | Short Covering |

International Update

| Commodity | Open | High | Low | Close | % Change |
|---------------|----------|----------|----------|----------|----------|
| Lme Copper | 7919.00 | 7984.00 | 7869.50 | 7887.00 | -0.79 |
| Lme Zinc | 2490.00 | 2505.00 | 2461.00 | 2465.00 | -1.12 |
| Lme Aluminium | 2251.00 | 2256.00 | 2227.50 | 2234.00 | -0.56 |
| Lme Lead | 2111.50 | 2142.00 | 2102.00 | 2136.00 | 0.87 |
| Lme Nickel | 18900.00 | 18875.00 | 18875.00 | 18723.00 | -0.03 |

Ratio Update

| Ratio | Price | Ratio | Price |
|-------------------------|-------|------------------------------|-------|
| Gold / Silver Ratio | 84.78 | Crudeoil / Natural Gas Ratio | 26.03 |
| Gold / Crudeoil Ratio | 8.18 | Crudeoil / Copper Ratio | 9.93 |
| Gold / Copper Ratio | 81.25 | Copper / Zinc Ratio | 3.15 |
| Silver / Crudeoil Ratio | 9.65 | Copper / Lead Ratio | 3.72 |
| Silver / Copper Ratio | 95.83 | Copper / Aluminium Ratio | 3.39 |

TECHNICAL SNAPSHOT



BUY ALUMINIUM OCT @ 204 SL 202 TGT 206-208. MCX

OBSERVATIONS

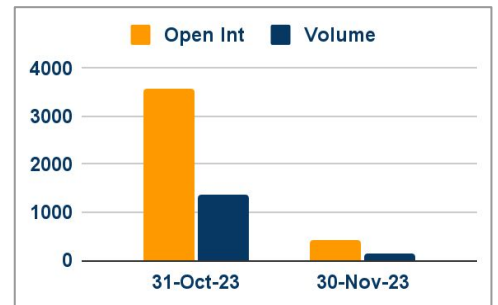
Aluminium trading range for the day is 203.9-206.9.

Aluminium settled flat as the outlook of a hawkish Fed lifted the US dollar and hampered industrial sentiment.

China halted the expansion of production capacity beyond the current limit of 45 million tons

The HCOB Eurozone Manufacturing PMI was confirmed at 43.4 in September 2023

OI & VOLUME



SPREAD

| Commodity | Spread |
|-------------------|--------|
| ALUMINIUM NOV-OCT | 1.05 |
| ALUMINI NOV-OCT | 0.05 |

TRADING LEVELS

| Commodity | Expiry | Close | R2 | R1 | PP | S1 | S2 |
|---------------|-----------|---------|---------|---------|---------|---------|---------|
| ALUMINIUM | 31-Oct-23 | 205.55 | 206.90 | 206.20 | 205.40 | 204.70 | 203.90 |
| ALUMINIUM | 30-Nov-23 | 206.60 | 207.80 | 207.30 | 206.60 | 206.10 | 205.40 |
| ALUMINI | 31-Oct-23 | 206.80 | 208.00 | 207.50 | 206.70 | 206.20 | 205.40 |
| ALUMINI | 30-Nov-23 | 206.85 | 208.20 | 207.60 | 206.90 | 206.30 | 205.60 |
| Lme Aluminium | | 2234.00 | 2267.50 | 2250.50 | 2239.00 | 2222.00 | 2210.50 |

TECHNICAL SNAPSHOT



BUY COPPER OCT @ 695 SL 690 TGT 700-705. MCX

OBSERVATIONS

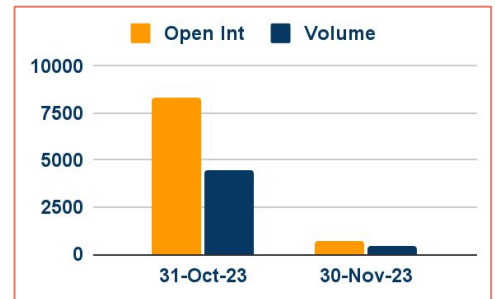
Copper trading range for the day is 691.1-705.7.

Copper fell as concerns of high interest rates for a prolonged period from Fed hampered the demand outlook.

The concerning outlook in China also pressured demand amid fears of financial contagion from indebted property developers.

In the shorter term, output from Codelco sank by 14% in the first half of the year, stretching the 7% decline from 2022.

OI & VOLUME



SPREAD

| Commodity | Spread |
|----------------|--------|
| COPPER NOV-OCT | 3.95 |

TRADING LEVELS

| Commodity | Expiry | Close | R2 | R1 | PP | S1 | S2 |
|------------|-----------|---------|---------|---------|---------|---------|---------|
| COPPER | 31-Oct-23 | 696.70 | 705.70 | 701.20 | 698.40 | 693.90 | 691.10 |
| COPPER | 30-Nov-23 | 700.65 | 708.30 | 704.50 | 702.40 | 698.60 | 696.50 |
| Lme Copper | | 7887.00 | 8028.50 | 7958.50 | 7914.00 | 7844.00 | 7799.50 |

TECHNICAL SNAPSHOT



BUY ZINC OCT @ 220 SL 218 TGT 223-225. MCX

OBSERVATIONS

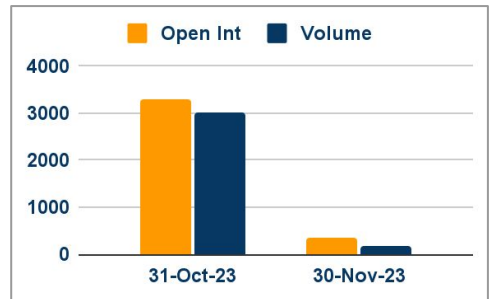
OI & VOLUME

Zinc trading range for the day is 219.8-224.

Zinc dropped as dollar rose on the back of upbeat U.S. job openings data.

Zinc retreated as the market factored in increasing supplies of the metal used to galvanise steel and mounting stocks

Combined zinc inventories in LME and warehouses monitored by ShFE fell back in the second and third quarters

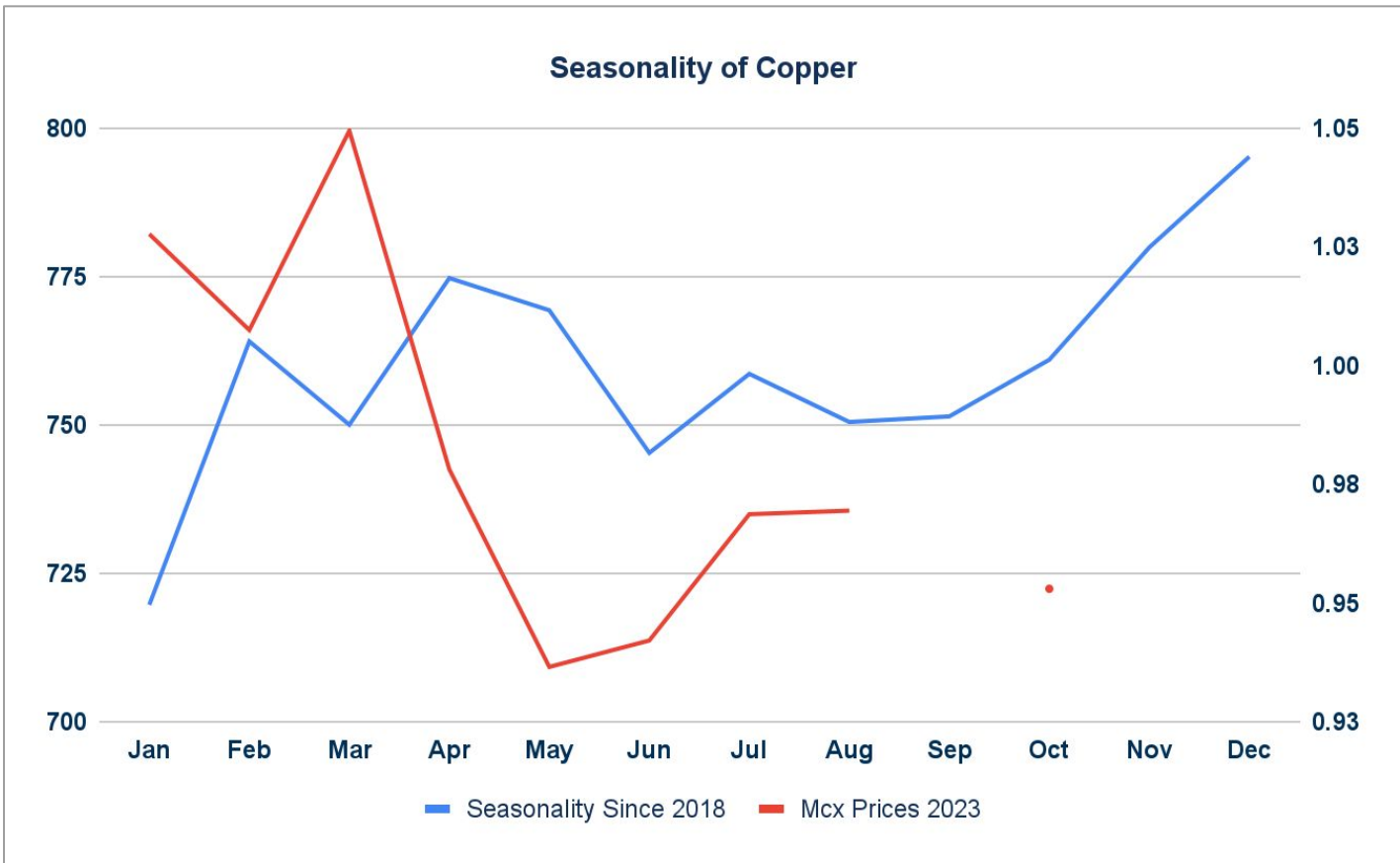
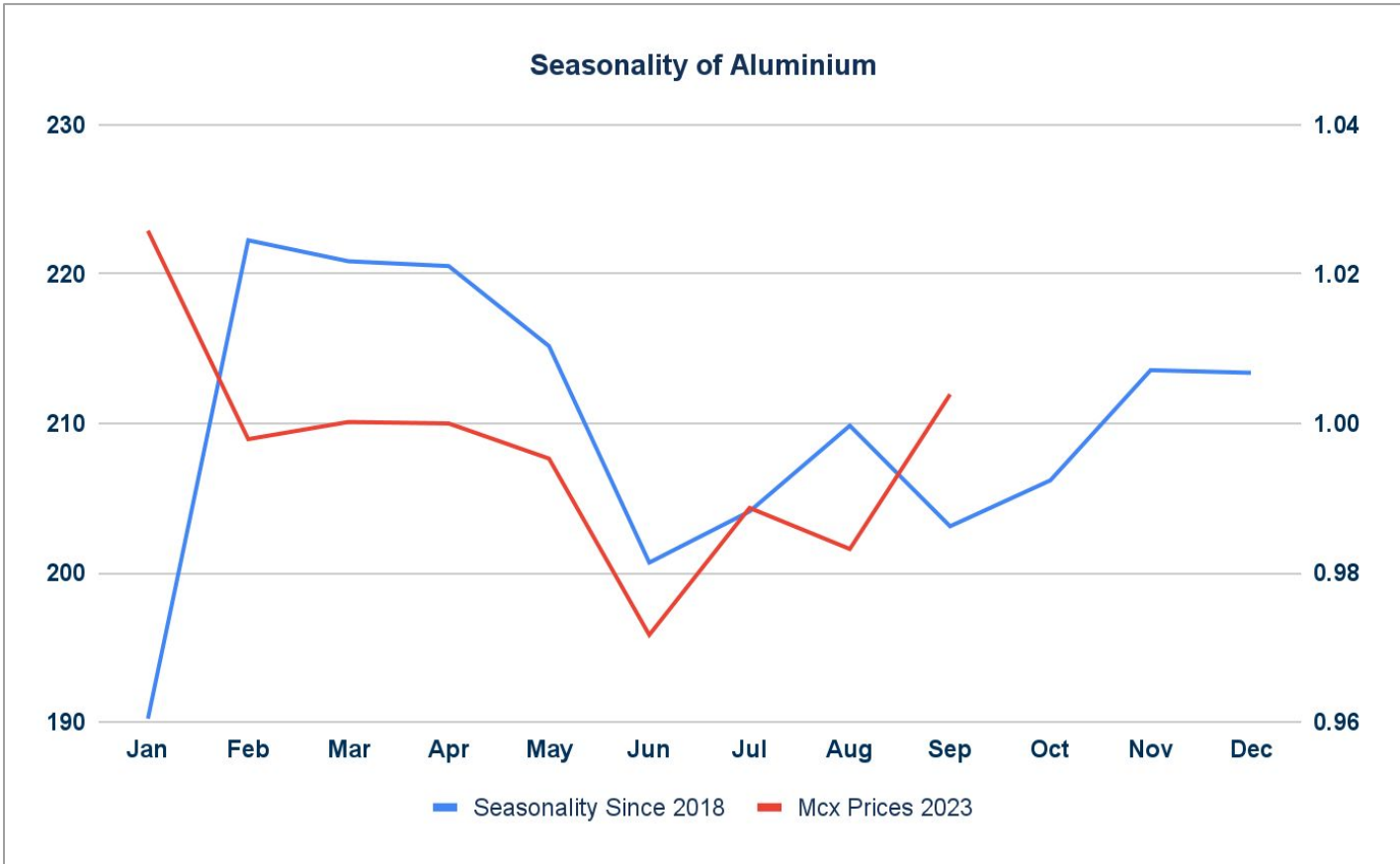


SPREAD

| Commodity | Spread |
|------------------|--------|
| ZINC NOV-OCT | 1.45 |
| ZINCMINI NOV-OCT | 1.65 |

TRADING LEVELS

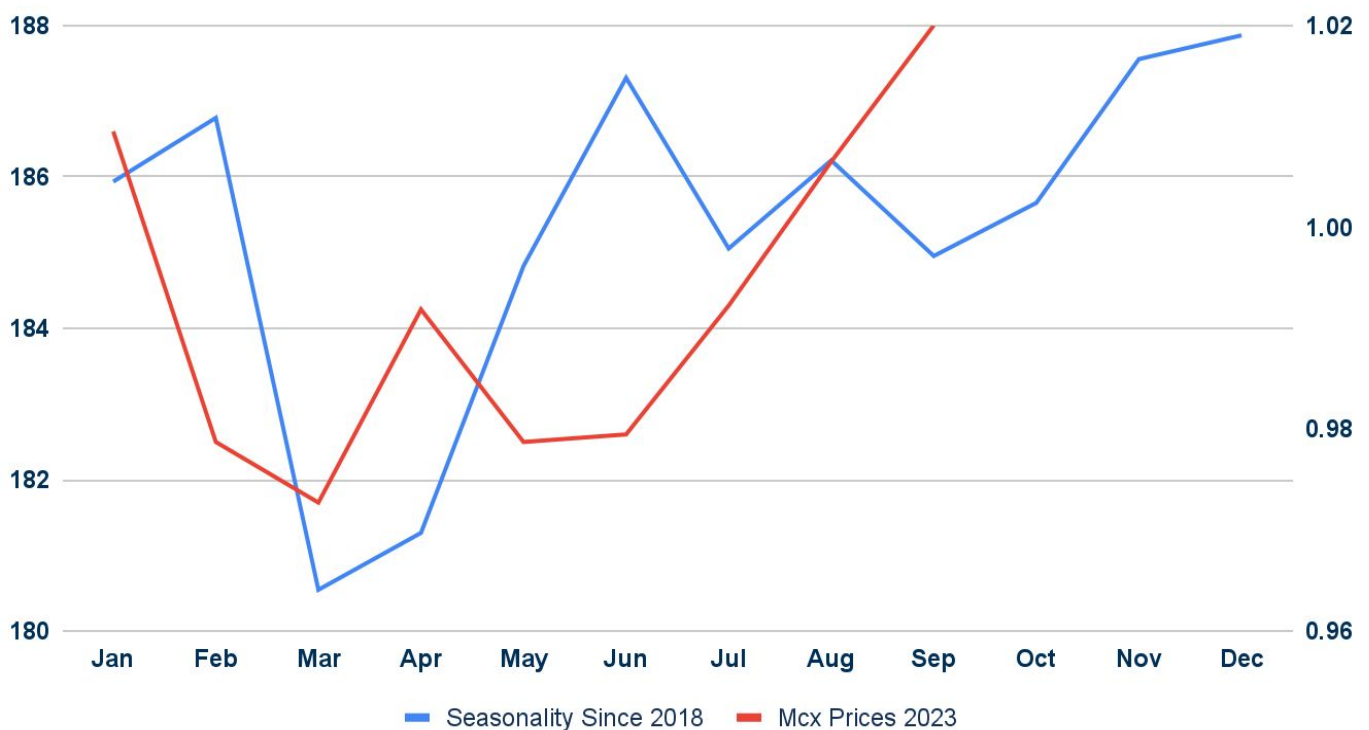
| Commodity | Expiry | Close | R2 | R1 | PP | S1 | S2 |
|-----------|-----------|---------|---------|---------|---------|---------|---------|
| ZINC | 31-Oct-23 | 221.45 | 224.00 | 222.70 | 221.90 | 220.60 | 219.80 |
| ZINC | 30-Nov-23 | 222.90 | 225.60 | 224.30 | 223.40 | 222.10 | 221.20 |
| ZINCMINI | 31-Oct-23 | 221.50 | 224.10 | 222.90 | 222.00 | 220.80 | 219.90 |
| ZINCMINI | 30-Nov-23 | 223.15 | 225.60 | 224.40 | 223.60 | 222.40 | 221.60 |
| Lme Zinc | | 2465.00 | 2521.00 | 2493.00 | 2477.00 | 2449.00 | 2433.00 |



Seasonality of Zinc



Seasonality of Lead



Weekly Economic Data

| Date | Curr. | Data |
|-------|-------|-----------------------------------|
| Oct 2 | EUR | Final Manufacturing PMI |
| Oct 2 | EUR | Italian Monthly Unemployment Rate |
| Oct 2 | EUR | Unemployment Rate |
| Oct 2 | USD | Final Manufacturing PMI |
| Oct 2 | USD | ISM Manufacturing PMI |
| Oct 2 | USD | ISM Manufacturing Prices |
| Oct 2 | USD | Construction Spending m/m |
| Oct 3 | EUR | French Gov Budget Balance |
| Oct 3 | USD | JOLTS Job Openings |
| Oct 4 | EUR | Spanish Services PMI |
| Oct 4 | EUR | German Final Services PMI |
| Oct 4 | EUR | Final Services PMI |
| Oct 4 | EUR | PPI m/m |

| Date | Curr. | Data |
|-------|-------|-----------------------------|
| Oct 4 | USD | Final Services PMI |
| Oct 4 | USD | ISM Services PMI |
| Oct 4 | USD | Factory Orders m/m |
| Oct 4 | USD | Crude Oil Inventories |
| Oct 5 | EUR | German Trade Balance |
| Oct 5 | USD | Challenger Job Cuts y/y |
| Oct 5 | USD | Unemployment Claims |
| Oct 5 | USD | Trade Balance |
| Oct 5 | USD | Natural Gas Storage |
| Oct 5 | USD | FOMC Member Barr Speaks |
| Oct 6 | EUR | German Factory Orders m/m |
| Oct 6 | EUR | Italian Retail Sales m/m |
| Oct 6 | USD | Average Hourly Earnings m/m |

News you can Use

The U.S. services sector slowed in September as new orders fell to a nine-month low, but the pace remained consistent with expectations for solid economic growth in the third quarter. The Institute for Supply Management (ISM) said that its non-manufacturing PMI slipped to 53.6 last month from 54.5 in August. Demand for services is being underpinned by a shift in spending away from goods amid higher interest rates. The ISM reported that its manufacturing PMI contracted in September for the 11th straight month, though the pace of decline slowed considerably. Growth estimates for the third quarter are as high as a 4.9% annualized rate. The economy grew at a 2.1% pace in the April-June quarter. A measure of new orders received by services businesses dropped to 51.8 last month, the lowest level since December, from 57.5 in August. But order backlogs improved and exports pushed higher. Despite the slowdown in new orders, services inflation remained elevated. The services sector is at the center of the Fed's battle to bring inflation down to its 2% target. Services prices tend to be stickier and less responsive to rate hikes. A gauge of prices paid by services businesses for inputs was unchanged at 58.9.

The S&P Global/CIPS UK Services PMI was revised higher to 49.3 in September 2023 from a preliminary of 47.2, but still pointing to the lowest since January. Total new work decreased fractionally, and export sales fell for the first time since November 2022. Backlogs of work decreased for the fourth consecutive month and at the second-fastest rate since February 2021. Meanwhile, service sector companies recorded a decline in their staffing numbers for the first time in just over two-and-a-half years. The S&P Global/CIPS UK Composite PMI was revised sharply higher to 48.5 in September 2023, up from a preliminary estimate of 46.8 and little changed from 48.6 in August. Nevertheless, the latest reading indicated the fastest reduction in private sector output since January, with manufacturing production declining for the seventh consecutive month and services activity contracting for a second period. Private sector employment saw the most significant drop since January 2021, ending a five-month period of expansion. On the price front, input price inflation moderated for the second consecutive month in September, reaching its lowest level since the beginning of 2021. However, prices charged inflation picked up slightly from August's 30-month low, driven by a renewed increase in manufacturing output prices.

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