



KEDIA ADVISORY

DAILY BASE METALS REPORT

8 Nov 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	30-Nov-23	711.25	711.90	706.55	709.90	-3.80
ZINC	30-Nov-23	225.50	226.95	225.05	226.75	-2.73
ALUMINIUM	30-Nov-23	208.90	208.90	207.30	208.40	-2.77
LEAD	30-Nov-23	186.95	187.35	186.55	187.15	-1.11

Open Interest Update

Commodity	Expiry	% Change	% Oi Change	Oi Status
COPPER	30-Nov-23	-0.53	1.97	Fresh Selling
ZINC	30-Nov-23	0.11	-2.73	Short Covering
ALUMINIUM	30-Nov-23	-0.38	-2.77	Long Liquidation
LEAD	30-Nov-23	0.03	-1.11	Short Covering

International Update

Commodity	Open	High	Low	Close	% Change
Lme Copper	8228.50	8238.00	8138.00	8203.00	-0.42
Lme Zinc	2559.00	2576.00	2543.00	2575.00	0.08
Lme Aluminium	2283.00	2284.00	2255.00	2278.00	-0.42
Lme Lead	2180.00	2195.50	2167.00	2193.00	0.57
Lme Nickel	18200.00	18125.00	18140.00	18445.00	1.22

Ratio Update

Ratio	Price	Ratio	Price
Gold / Silver Ratio	85.44	Crudeoil / Natural Gas Ratio	24.79
Gold / Crudeoil Ratio	9.27	Crudeoil / Copper Ratio	9.17
Gold / Copper Ratio	85.01	Copper / Zinc Ratio	3.13
Silver / Crudeoil Ratio	10.86	Copper / Lead Ratio	3.79
Silver / Copper Ratio	99.50	Copper / Aluminium Ratio	3.41

TECHNICAL SNAPSHOT



BUY ALUMINIUM NOV @ 207 SL 205 TGT 209-211. MCX

OBSERVATIONS

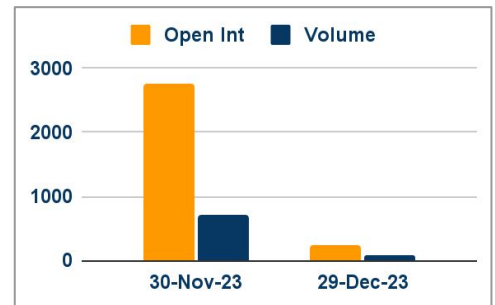
Aluminium trading range for the day is 206.6-209.8.

Aluminium dropped as markets continued to gauge the demand outlook from China.

Beijing is set to emit CNY 1 trillion in extra debt to spur manufacturing activity and infrastructure construction.

PMI data unexpectedly showed contractions in China's manufacturing sector

OI & VOLUME



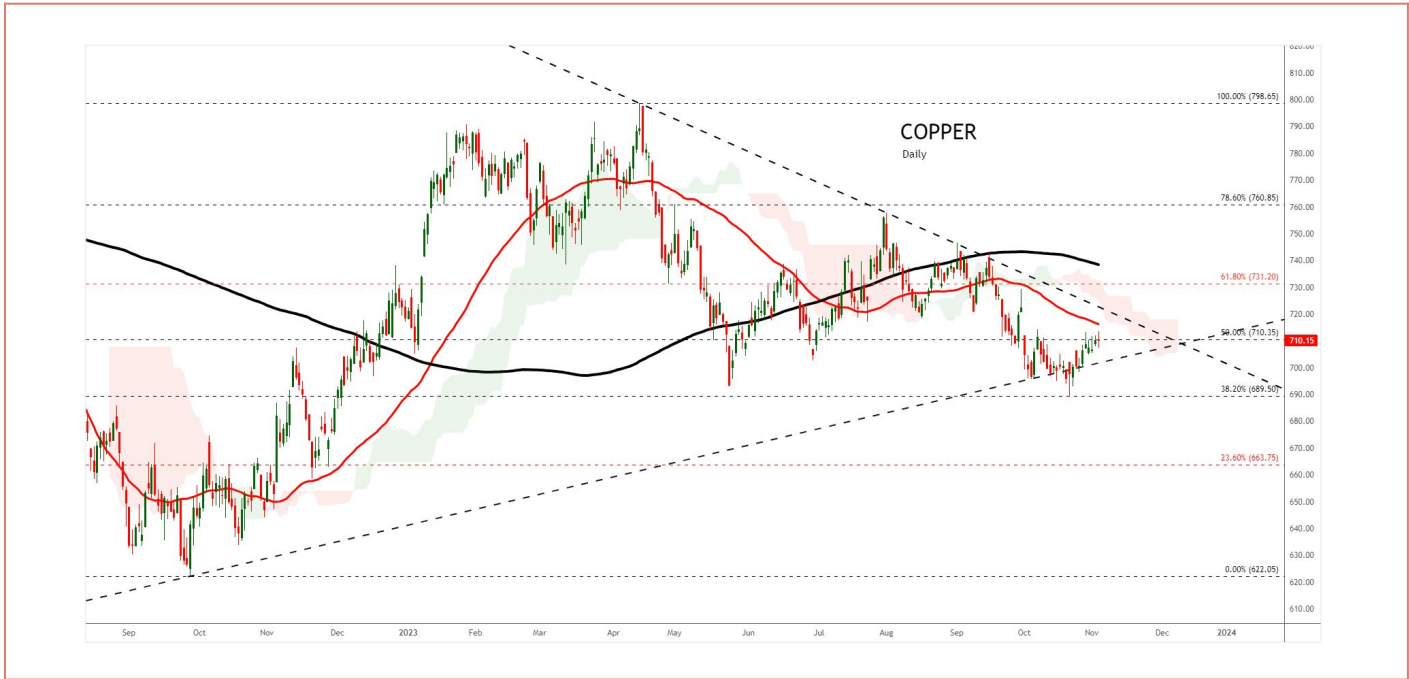
SPREAD

Commodity	Spread
ALUMINIUM DEC-NOV	1.50
ALUMINI DEC-NOV	1.25

TRADING LEVELS

Commodity	Expiry	Close	R2	R1	PP	S1	S2
ALUMINIUM	30-Nov-23	208.40	209.80	209.10	208.20	207.50	206.60
ALUMINIUM	29-Dec-23	209.90	211.00	210.50	209.70	209.20	208.40
ALUMINI	30-Nov-23	208.55	209.90	209.30	208.50	207.90	207.10
ALUMINI	29-Dec-23	209.80	211.00	210.40	209.70	209.10	208.40
Lme Aluminium		2278.00	2301.00	2289.00	2272.00	2260.00	2243.00

TECHNICAL SNAPSHOT



BUY COPPER NOV @ 707 SL 703 TGT 712-715. MCX

OBSERVATIONS

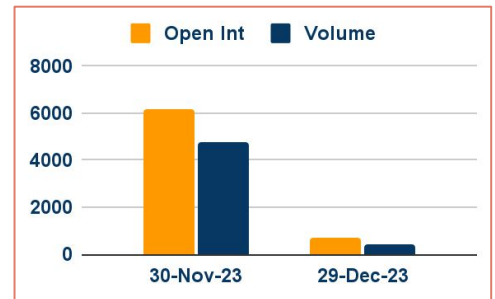
Copper trading range for the day is 704.1-714.9.

Copper fell amid pressure from a stronger dollar and some respite in inventory levels.

China's October copper imports jump amid low stocks, solid demand

Copper inventories at the Shanghai Futures Exchange rose by 11.2% to 40,516 tonnes

OI & VOLUME



SPREAD

Commodity	Spread
COPPER DEC-NOV	4.20

TRADING LEVELS

Commodity	Expiry	Close	R2	R1	PP	S1	S2
COPPER	30-Nov-23	709.90	714.90	712.50	709.50	707.10	704.10
COPPER	29-Dec-23	714.10	718.70	716.40	713.90	711.60	709.10
Lme Copper		8203.00	8293.00	8248.00	8193.00	8148.00	8093.00

TECHNICAL SNAPSHOT



BUY ZINC NOV @ 226 SL 224 TGT 228-229. MCX

OBSERVATIONS

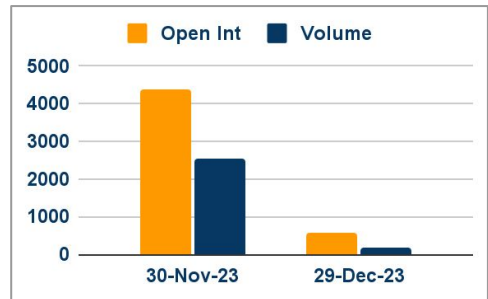
OI & VOLUME

Zinc trading range for the day is 224.4-228.2.

Zinc prices rose as Nyrstar plans to temporarily close two zinc mines.

Global zinc market surplus widens in August – ILZSG

The global zinc market to show a surplus of 148,000 metric tons this year and 238,000 tons in 2024.

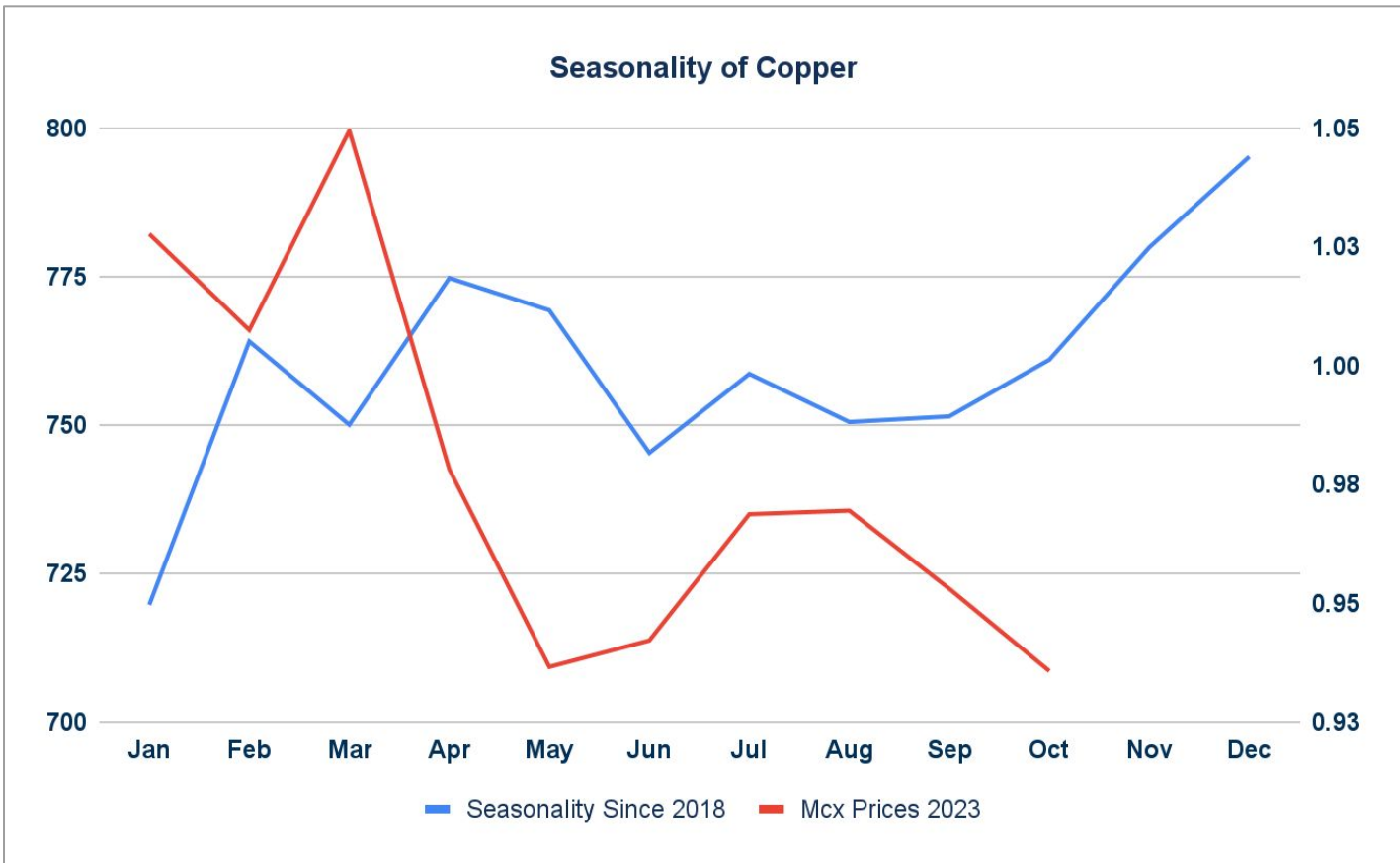
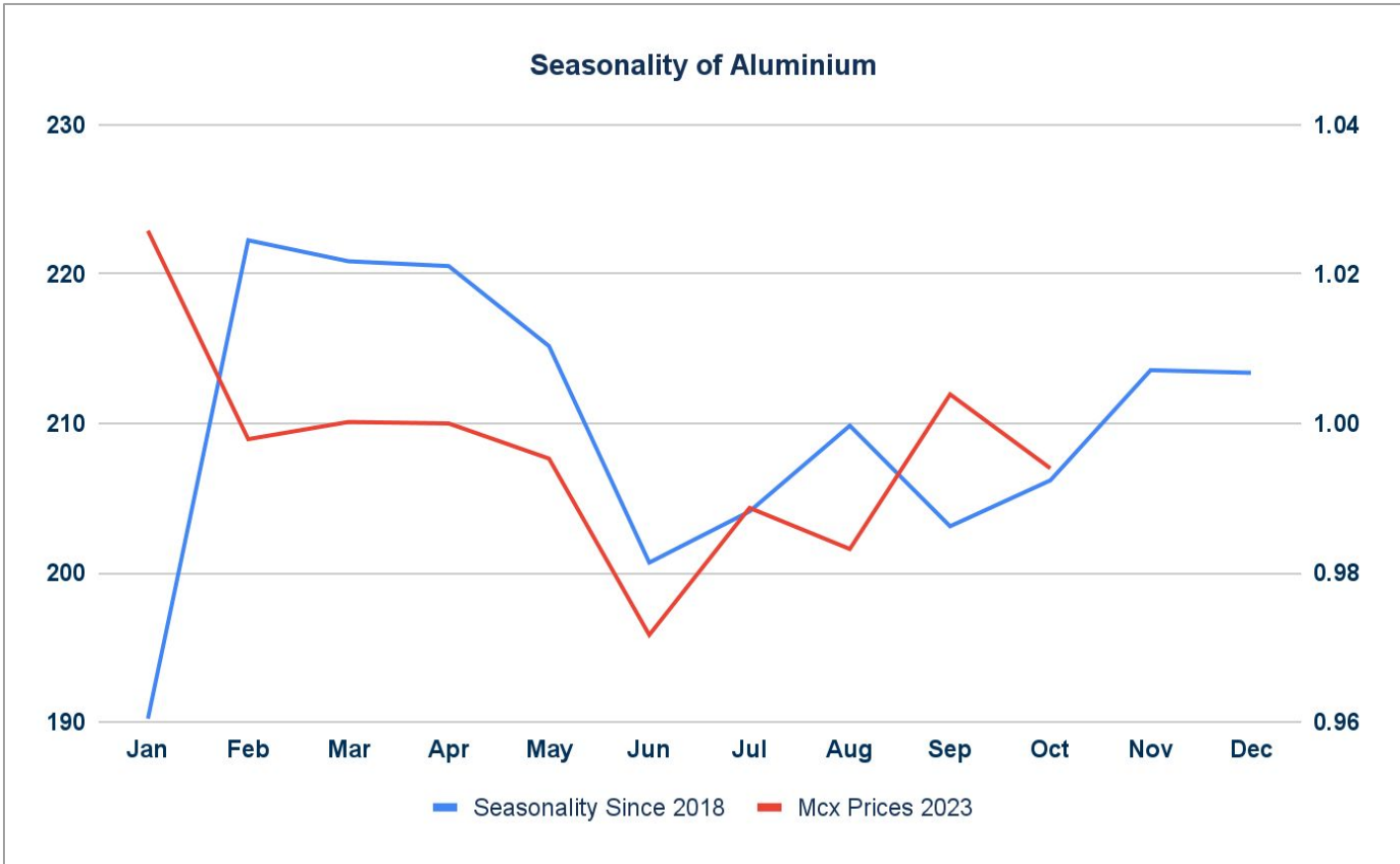


SPREAD

Commodity	Spread
ZINC DEC-NOV	0.85
ZINCMINI DEC-NOV	0.70

TRADING LEVELS

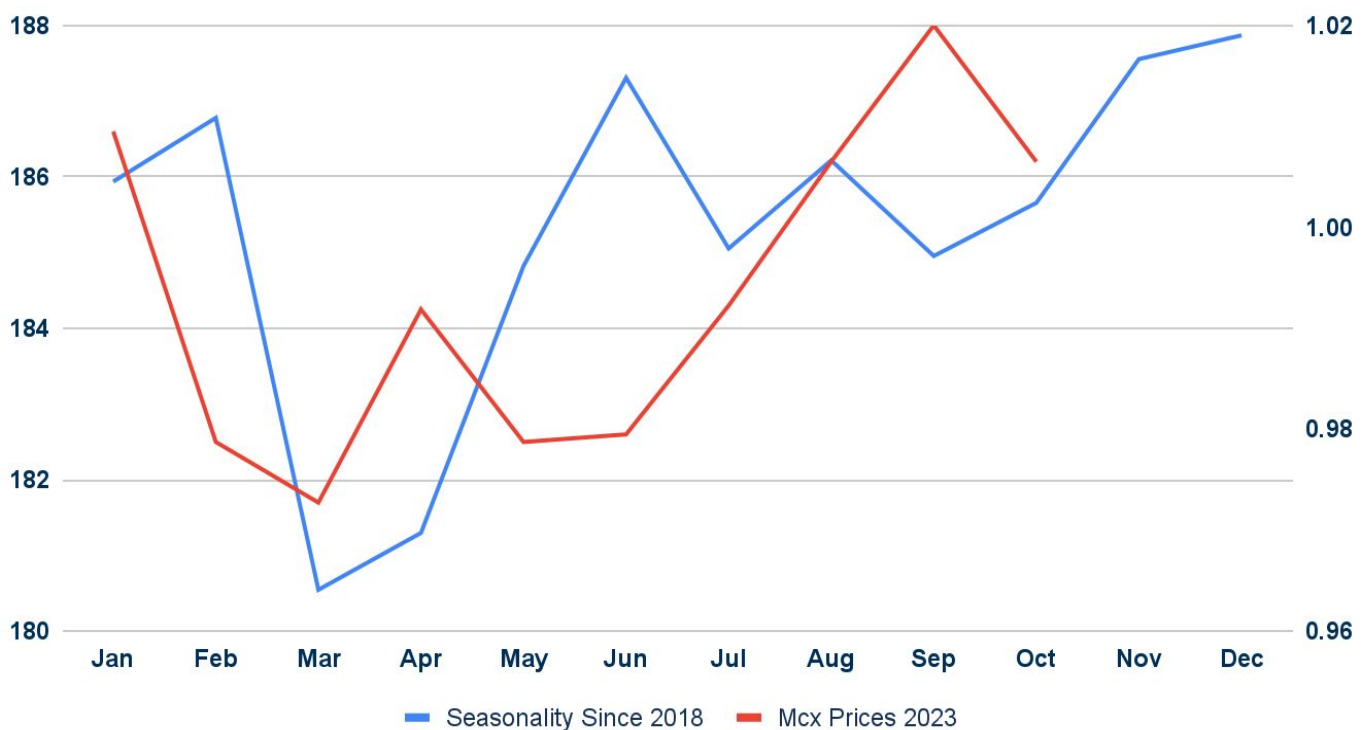
Commodity	Expiry	Close	R2	R1	PP	S1	S2
ZINC	30-Nov-23	226.75	228.20	227.60	226.30	225.70	224.40
ZINC	29-Dec-23	227.60	228.80	228.20	227.20	226.60	225.60
ZINCMINI	30-Nov-23	226.75	228.10	227.50	226.30	225.70	224.50
ZINCMINI	29-Dec-23	227.45	228.70	228.10	227.10	226.50	225.50
Lme Zinc		2575.00	2598.00	2587.00	2565.00	2554.00	2532.00



Seasonality of Zinc



Seasonality of Lead



Weekly Economic Data

Date	Curr.	Data
Nov 6	EUR	German Factory Orders m/m
Nov 6	EUR	Spanish Services PMI
Nov 6	EUR	Italian Services PMI
Nov 6	EUR	French Final Services PMI
Nov 6	EUR	German Final Services PMI
Nov 6	EUR	Final Services PMI
Nov 6	EUR	Sentix Investor Confidence
Nov 7	EUR	Industrial Production m/m
Nov 7	EUR	PPI m/m
Nov 7	USD	Trade Balance
Nov 7	USD	FOMC Member Barr Speaks
Nov 8	USD	FOMC Member Logan Speaks
Nov 8	USD	Consumer Credit m/m

Date	Curr.	Data
Nov 8	EUR	Italian Retail Sales m/m
Nov 8	EUR	Eurogroup Meetings
Nov 8	EUR	Retail Sales m/m
Nov 8	EUR	German 10-y Bond Auction
Nov 8	USD	Final Wholesale Inventories m/m
Nov 8	USD	10-y Bond Auction
Nov 9	EUR	ECB Economic Bulletin
Nov 9	USD	Unemployment Claims
Nov 9	EUR	ECB President Lagarde Speaks
Nov 9	USD	30-y Bond Auction
Nov 10	USD	Fed Chair Powell Speaks
Nov 10	EUR	Italian Industrial Production m/m
Nov 10	USD	FOMC Member Logan Speaks

News you can Use

China recorded its first-ever quarterly deficit in foreign direct investment (FDI), according to balance of payments data, underscoring capital outflow pressure and Beijing's challenge in wooing overseas companies in the wake of a "de-risking" move by Western governments. Direct investment liabilities - a broad measure of FDI that includes foreign companies' retained earnings in China - were a deficit of \$11.8 billion during the July-September period, according to preliminary balance of payments data. That's the first quarterly shortfall since China's foreign exchange regulator began compiling the data in 1998, which could be linked to the impact of "de-risking" by Western countries from China, as well as China's interest rate disadvantage. "Some of the weakness in China's inward FDI may be due to multinational companies repatriating earnings," Goldman Sachs wrote. "With interest rates in China 'lower for longer' while interest rates outside of China 'higher for longer', capital outflow pressures are likely to persist." Julian Evans-Pritchard, head of China economics at Capital Economics, said the unusually-large interest rate gap "has led firms to remit their retained earnings out of the country".

An escalating geopolitical climate, marked by disruptions from the COVID-19 pandemic and Russia's conflict in Ukraine, is leading multinational corporations to reconsider their global production strategies, according to a European Central Bank (ECB) survey. The study, which included 65 major global firms contributing to 5% of the euro zone's economic output, revealed that companies are shifting their focus towards resilience, alongside cost and efficiency. The survey found 40% of multinational corporations contemplating relocating production to politically amicable countries due to major risks associated with China, identified as the "dominant source of critical inputs" and a frequent point of risk due to strained EU-US relations. Two-thirds of respondents recognized China as a potential supply chain risk. Most firms source critical materials from specific countries, notably China, and admit an elevated risk with these supplies. In addition to these shifts, the survey indicated that 49% of firms are interested in "near-shoring", or transferring production closer to points of sale.

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