



KEDIA ADVISORY

DAILY BASE METALS REPORT

3 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	732.75	734.20	728.10	729.85	-1.25
ZINC	31-Jan-24	231.95	233.25	229.00	230.55	-13.85
ALUMINIUM	31-Jan-24	211.35	213.45	207.85	208.25	-7.99
LEAD	31-Jan-24	183.25	183.25	181.80	182.60	7.10

Open Interest Update

Commodity	Expiry	% Change	% Oi Change	Oi Status
COPPER	31-Jan-24	-0.17	1.21	Fresh Selling
ZINC	31-Jan-24	-1.12	-13.85	Long Liquidation
ALUMINIUM	31-Jan-24	-1.82	-7.99	Long Liquidation
LEAD	31-Jan-24	-0.08	7.10	Fresh Selling

International Update

Commodity	Open	High	Low	Close	% Change
Lme Copper	8579.50	8615.50	8513.00	8531.00	-0.33
Lme Zinc	2638.00	2660.00	2591.00	2618.00	-1.50
Lme Aluminium	2374.50	2400.50	2321.50	2326.00	-2.43
Lme Lead	2079.50	2083.50	2044.00	2065.00	-0.17
Lme Nickel	16525.00	16570.00	16525.00	16603.00	-0.78

Ratio Update

Ratio	Price	Ratio	Price
Gold / Silver Ratio	85.37	Crudeoil / Natural Gas Ratio	27.97
Gold / Crudeoil Ratio	10.64	Crudeoil / Copper Ratio	8.14
Gold / Copper Ratio	86.67	Copper / Zinc Ratio	3.17
Silver / Crudeoil Ratio	12.47	Copper / Lead Ratio	4.00
Silver / Copper Ratio	101.52	Copper / Aluminium Ratio	3.50

TECHNICAL SNAPSHOT

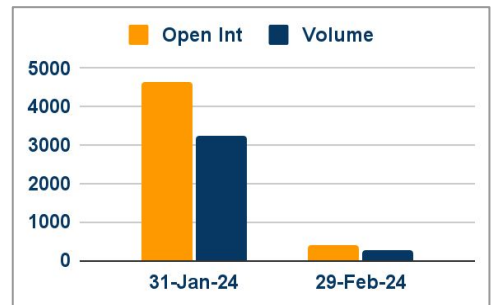


SELL ALUMINIUM JAN @ 210 SL 212 TGT 208-206. MCX

OBSERVATIONS

- Aluminium trading range for the day is 204.3-215.5.
- Aluminium prices dropped due to increased stocks in LME-approved warehouses.
- Chinese manufacturing activity contracted in December, but private survey showed unexpected growth.
- Expectations of further policy easing by the People's Bank of China.

OI & VOLUME



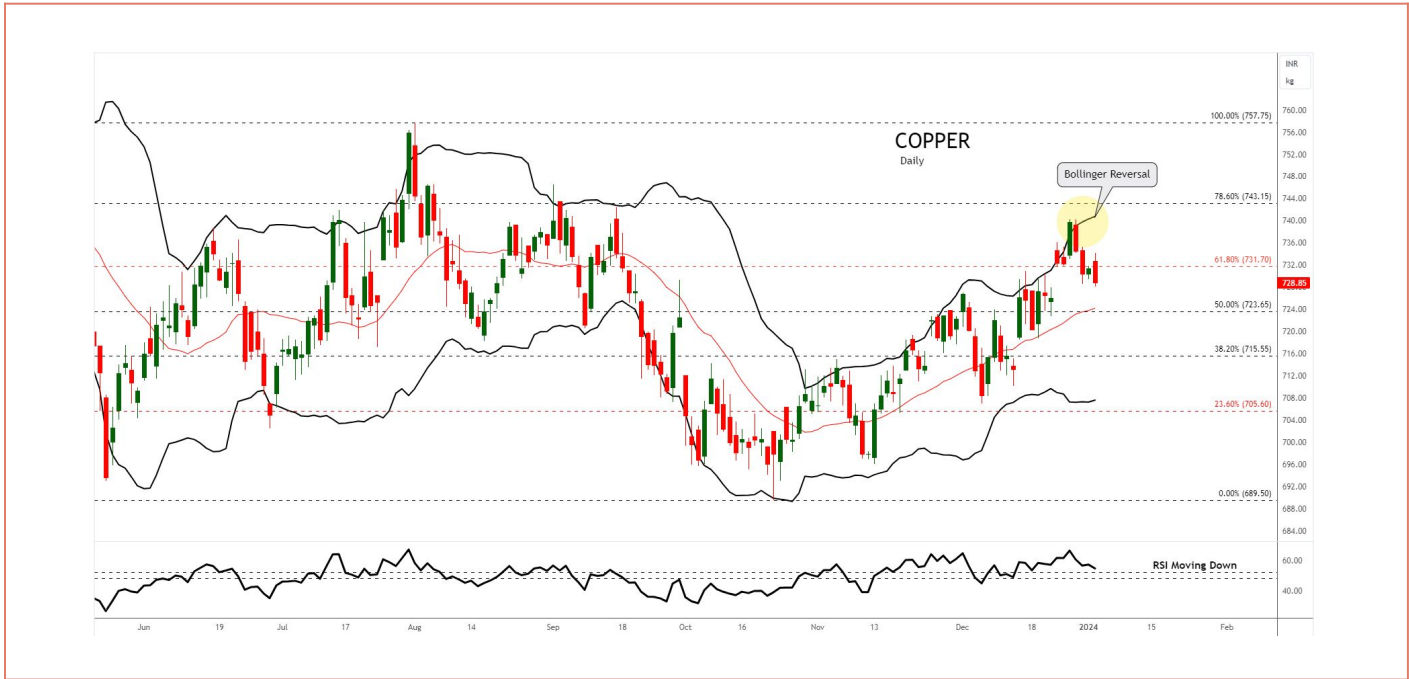
SPREAD

Commodity	Spread
ALUMINIUM FEB-JAN	2.30
ALUMINI FEB-JAN	2.30

TRADING LEVELS

Commodity	Expiry	Close	R2	R1	PP	S1	S2
ALUMINIUM	31-Jan-24	208.25	215.50	212.00	209.90	206.40	204.30
ALUMINIUM	29-Feb-24	210.55	216.80	213.70	211.90	208.80	207.00
ALUMINI	31-Jan-24	208.50	215.10	211.90	210.00	206.80	204.90
ALUMINI	29-Feb-24	210.80	216.50	213.60	212.00	209.10	207.50
Lme Aluminium		2326.00	2428.00	2376.50	2349.00	2297.50	2270.00

TECHNICAL SNAPSHOT



SELL COPPER JAN @ 732 SL 736 TGT 727-722. MCX

OBSERVATIONS

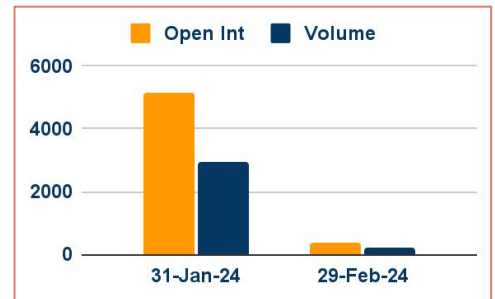
Copper trading range for the day is 724.6-736.8.

Copper prices eased due to a stronger dollar, but losses were limited.

Copper inventories in Shanghai warehouses dropped nearly 90% since late February.

Doubts about demand prospects reflected in low cash copper prices.

OI & VOLUME



SPREAD

Commodity	Spread
COPPER FEB-JAN	6.45

TRADING LEVELS

Commodity	Expiry	Close	R2	R1	PP	S1	S2
COPPER	31-Jan-24	729.85	736.80	733.30	730.70	727.20	724.60
COPPER	29-Feb-24	736.30	742.70	739.50	737.10	733.90	731.50
Lme Copper		8531.00	8655.50	8593.00	8553.00	8490.50	8450.50

TECHNICAL SNAPSHOT

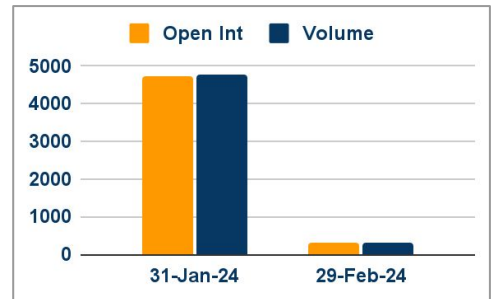


SELL ZINC JAN @ 232 SL 235 TGT 229-227. MCX

OBSERVATIONS

- Zinc trading range for the day is 226.7-235.1.
- Zinc prices dropped as China's official PMI fell to 49 in December.
- Global zinc market deficit eased to 52,500 metric tons in October.
- Year-on-year increase of 10.62% in China's refined zinc output.

OI & VOLUME

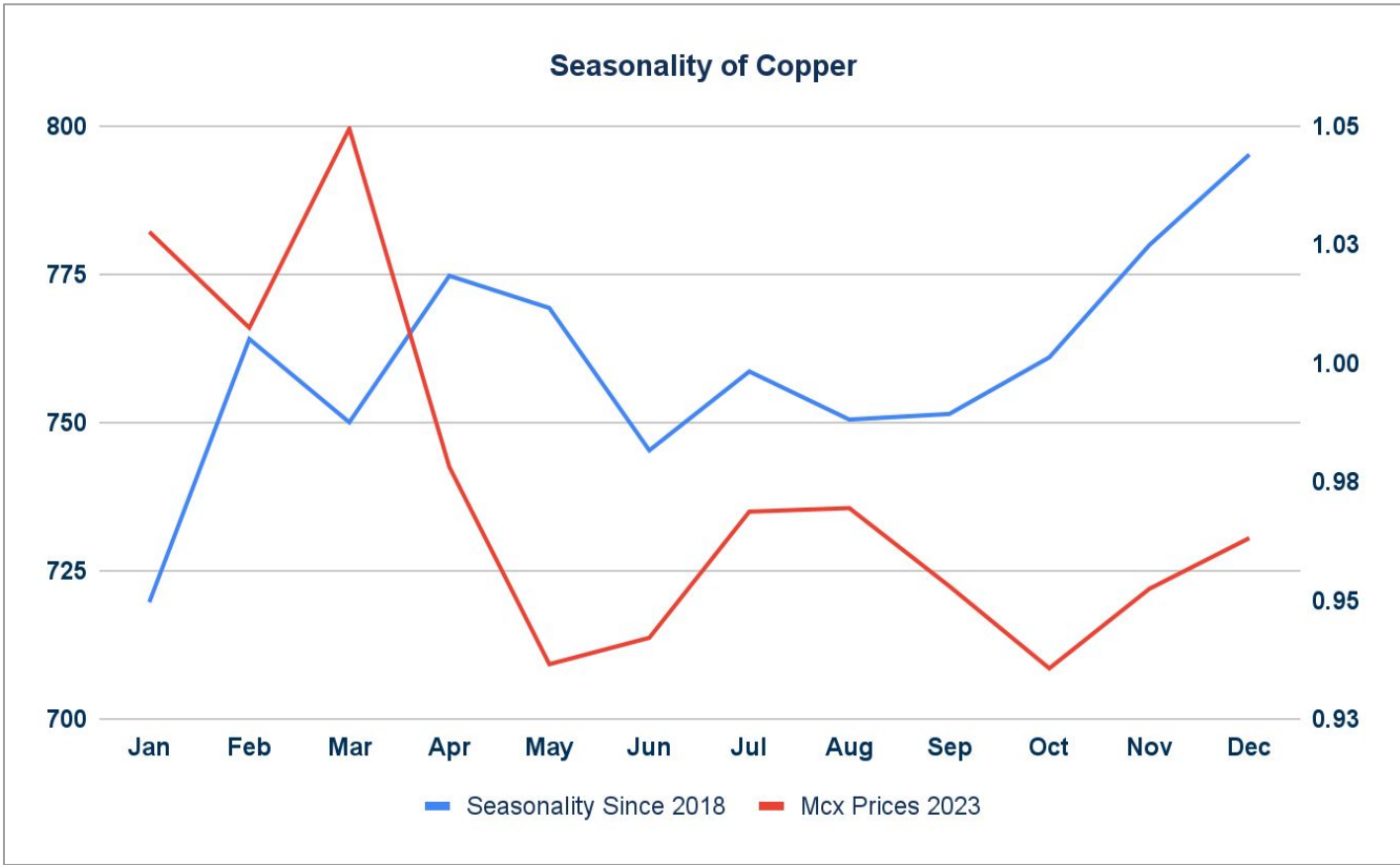
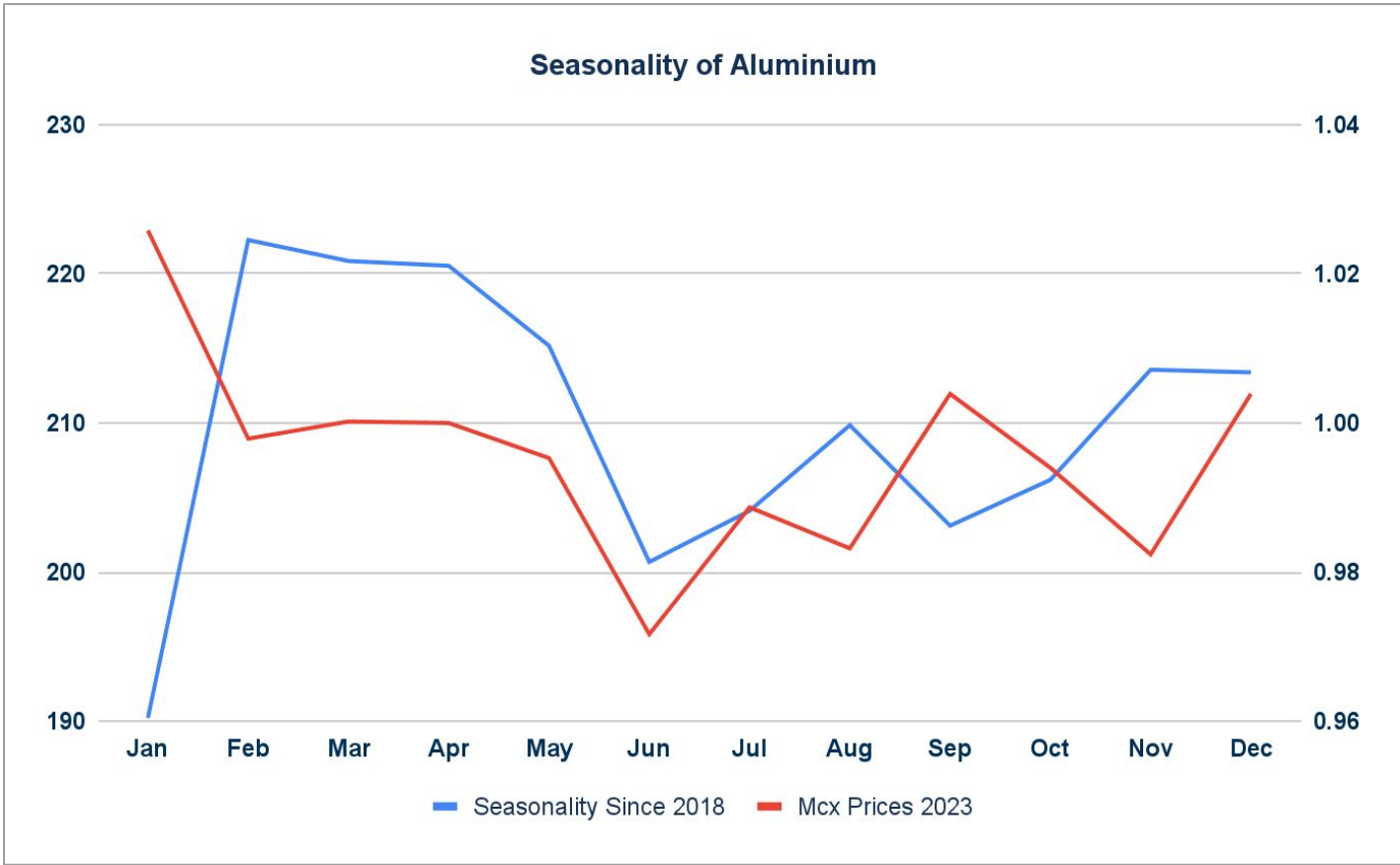


SPREAD

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

TRADING LEVELS

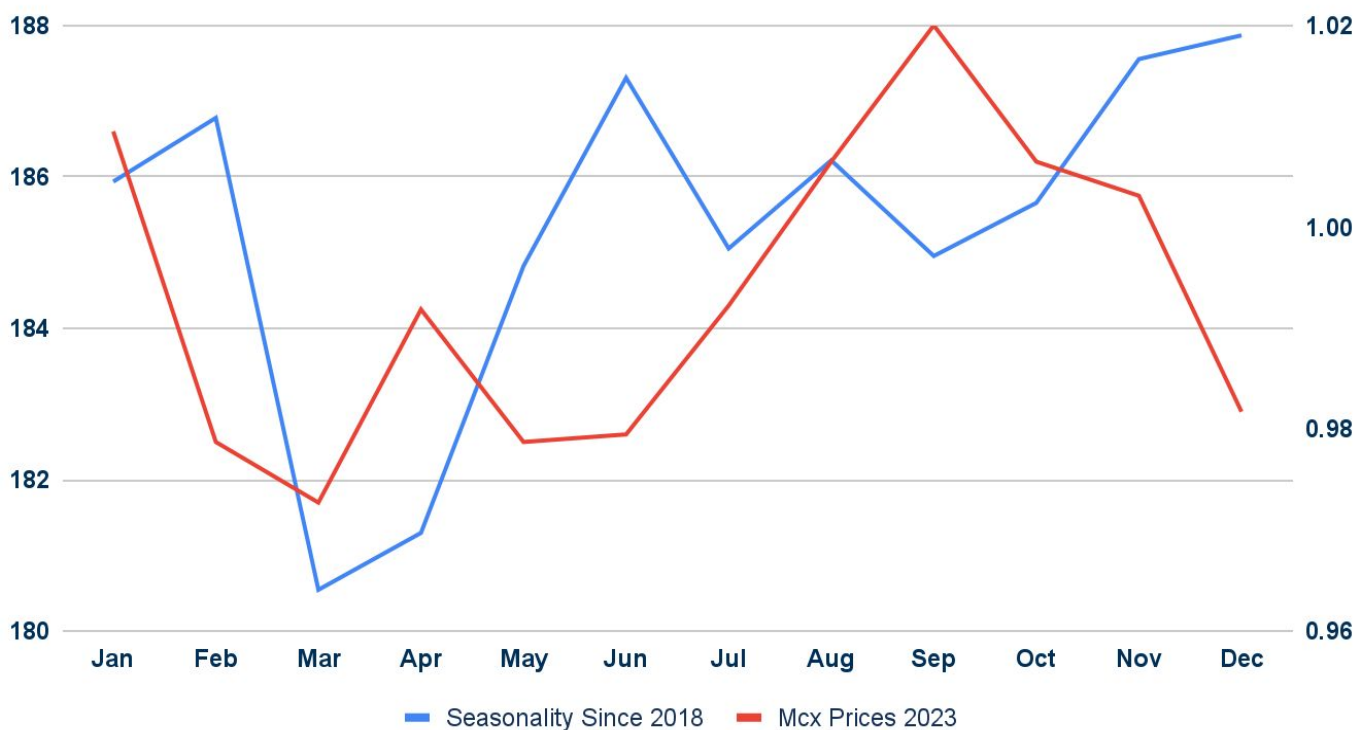
Commodity	Expiry	Close	R2	R1	PP	S1	S2
ZINC	31-Jan-24	230.55	235.10	232.80	230.90	228.60	226.70
ZINC	29-Feb-24	232.55	236.60	234.60	232.80	230.80	229.00
ZINCMINI	31-Jan-24	230.60	235.00	232.80	231.00	228.80	227.00
ZINCMINI	29-Feb-24	232.25	236.50	234.40	232.70	230.60	228.90
Lme Zinc		2618.00	2692.00	2655.00	2623.00	2586.00	2554.00



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

Asia's factory activity weakened in December, portending a shaky start for the region's manufacturing powerhouses in 2024 as China's patchy economic recovery impeded a broader revival in demand. A range of purchasing managers' indexes (PMIs) published by S&P Global showed factory activity continuing to decline in most Asian economies at the end of last year and confidence broadly sagging. The struggles for Asia's tech-heavy economies persisted with South Korean factory activity dipping back into decline and Taiwan extending its contraction for the 19th straight month, the PMIs showed. China's Caixin PMI showed an unexpected acceleration in activity in December, although this contrasted with Beijing's official PMI that remained in contraction territory for the third straight month. Beijing has in recent months introduced a series of policies to shore up a feeble post-pandemic recovery, but the world's second-largest economy is struggling to gain momentum amid a severe property slump, local government debt risks and soft global demand. Elsewhere in Asia, PMIs showed activity in Malaysia's and Vietnam's factory sectors remained in contractionary mode, although it accelerated slightly in Indonesia.

China's factory activity expanded at a quicker pace in December due to stronger gains in output and new orders, but business confidence for 2024 remained subdued, a private-sector survey showed. The Caixin/S&P Global manufacturing PMI rose to 50.8 at the end of 2023 from 50.7 in November, marking the fastest expansion in seven months and surpassing forecasts of 50.4. The 50-point mark separates growth from contraction. The sprawling manufacturing sector came under pressure amid weak demand in 2023, with a property downturn, geopolitical factors and tight-fisted consumers all weighing on the post-pandemic recovery. Chinese top leaders at the end of last year pledged to adjust policy to support an economic recovery in 2024, while markets and investors are waiting for more stimulus measures to be rolled out. The Caixin PMI contrasted with official data that showed manufacturing activity shrinking at a faster pace and more than expected in December. Factory output in December rose at the quickest pace since May, while growth in new orders hit a 10-month high thanks to firmer demand and a pick up in customer spending at the year-end, according to the Caixin survey.

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