

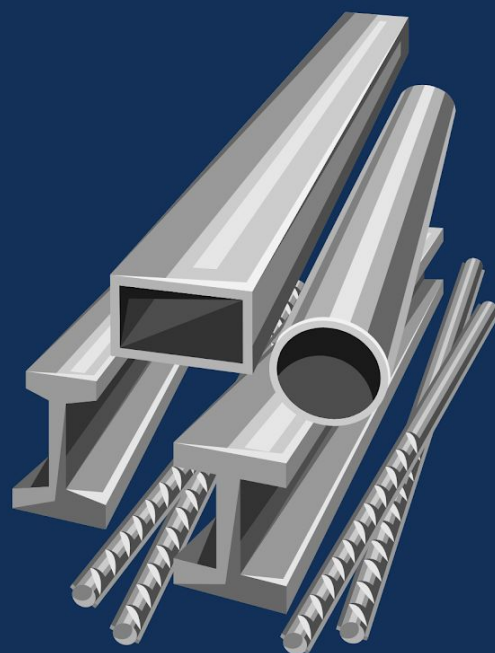


**KEDIA** ADVISORY

# DAILY BASE METALS REPORT

28 Sep 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-Oct-23	711.65	712.25	708.60	709.25	-3.00
ZINC	31-Oct-23	223.35	223.35	221.05	222.05	-3.90
ALUMINIUM	31-Oct-23	205.70	206.00	204.40	205.45	-1.12
LEAD	31-Oct-23	187.80	188.00	186.70	186.90	2.90

## Open Interest Update

Commodity	Expiry	% Change	% Oi Change	Oi Status
COPPER	31-Oct-23	-0.42	0.45	Fresh Selling
ZINC	31-Oct-23	-0.60	-3.90	Long Liquidation
ALUMINIUM	31-Oct-23	-0.15	-1.12	Long Liquidation
LEAD	31-Oct-23	-0.53	2.90	Fresh Selling

## International Update

Commodity	Open	High	Low	Close	% Change
Lme Copper	8104.50	8124.50	8074.50	8085.00	-0.07
Lme Zinc	2514.50	2514.50	2474.50	2493.00	-0.72
Lme Aluminium	2245.00	2251.00	2227.00	2244.00	0.02
Lme Lead	2185.00	2189.50	2153.00	2154.00	-1.49
Lme Nickel	19020.00	18970.00	18990.00	18877.00	-1.27

## Ratio Update

Ratio	Price	Ratio	Price
Gold / Silver Ratio	81.75	Crudeoil / Natural Gas Ratio	31.92
Gold / Crudeoil Ratio	7.40	Crudeoil / Copper Ratio	10.99
Gold / Copper Ratio	81.31	Copper / Zinc Ratio	3.19
Silver / Crudeoil Ratio	9.05	Copper / Lead Ratio	3.79
Silver / Copper Ratio	99.47	Copper / Aluminium Ratio	3.45

## TECHNICAL SNAPSHOT



**BUY ALUMINIUM OCT @ 204 SL 202 TGT 207-209. MCX**

### OBSERVATIONS

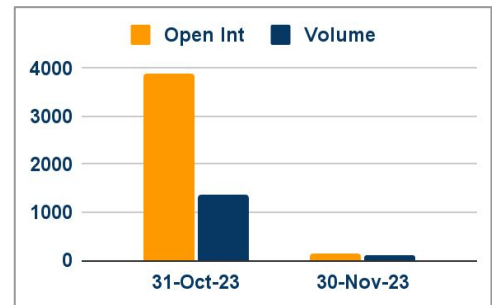
Aluminium trading range for the day is 203.7-206.9.

Aluminium pressure seen amid mounting concerns about instability from Chinese property developers.

Commerzbank expresses confidence in predicting an aluminum price of \$2,400 per ton at the end of 2023.

China, halted the expansion of production capacity beyond the current limit of 45 million tons as Beijing attempts to prevent oversupply

### OI & VOLUME



### SPREAD

Commodity	Spread
ALUMINIUM NOV-OCT	1.45
ALUMINI NOV-OCT	0.65

### TRADING LEVELS

Commodity	Expiry	Close	R2	R1	PP	S1	S2
ALUMINIUM	31-Oct-23	205.45	206.90	206.20	205.30	204.60	203.70
ALUMINIUM	30-Nov-23	206.90	207.80	207.40	206.70	206.30	205.60
ALUMINI	31-Oct-23	206.25	207.70	207.00	206.20	205.50	204.70
ALUMINI	30-Nov-23	206.90	208.20	207.50	206.80	206.10	205.40
Lme Aluminium		2244.00	2265.00	2255.00	2241.00	2231.00	2217.00

**TECHNICAL SNAPSHOT**



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

**OBSERVATIONS**

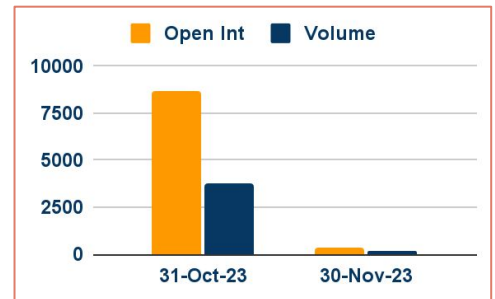
Copper trading range for the day is 706.4-713.6.

Copper fell amid persistent pressure from a strong dollar and weak industrial sentiment

Pressure seen as renewed concerns over the financial health of property developers maintained worries

Output from Chilean state-owned 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	3.00

**TRADING LEVELS**

Commodity	Expiry	Close	R2	R1	PP	S1	S2
COPPER	31-Oct-23	709.25	713.60	711.40	710.00	707.80	706.40
COPPER	30-Nov-23	712.25	715.70	714.00	713.00	711.30	710.30
Lme Copper		8085.00	8145.00	8115.50	8095.00	8065.50	8045.00

TECHNICAL SNAPSHOT



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

OBSERVATIONS

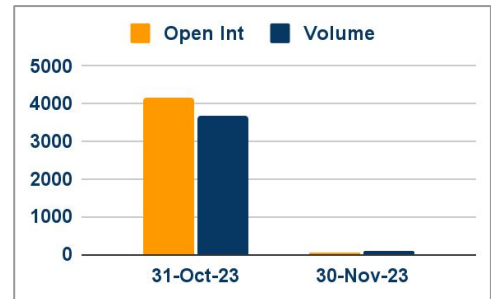
OI & VOLUME

Zinc trading range for the day is 219.9-224.5.

Zinc dropped due to concerns about demand in China

Global zinc market surplus falls in July – ILZSG

Commerzbank suggests that the zinc price is likely to trend more or less sideways

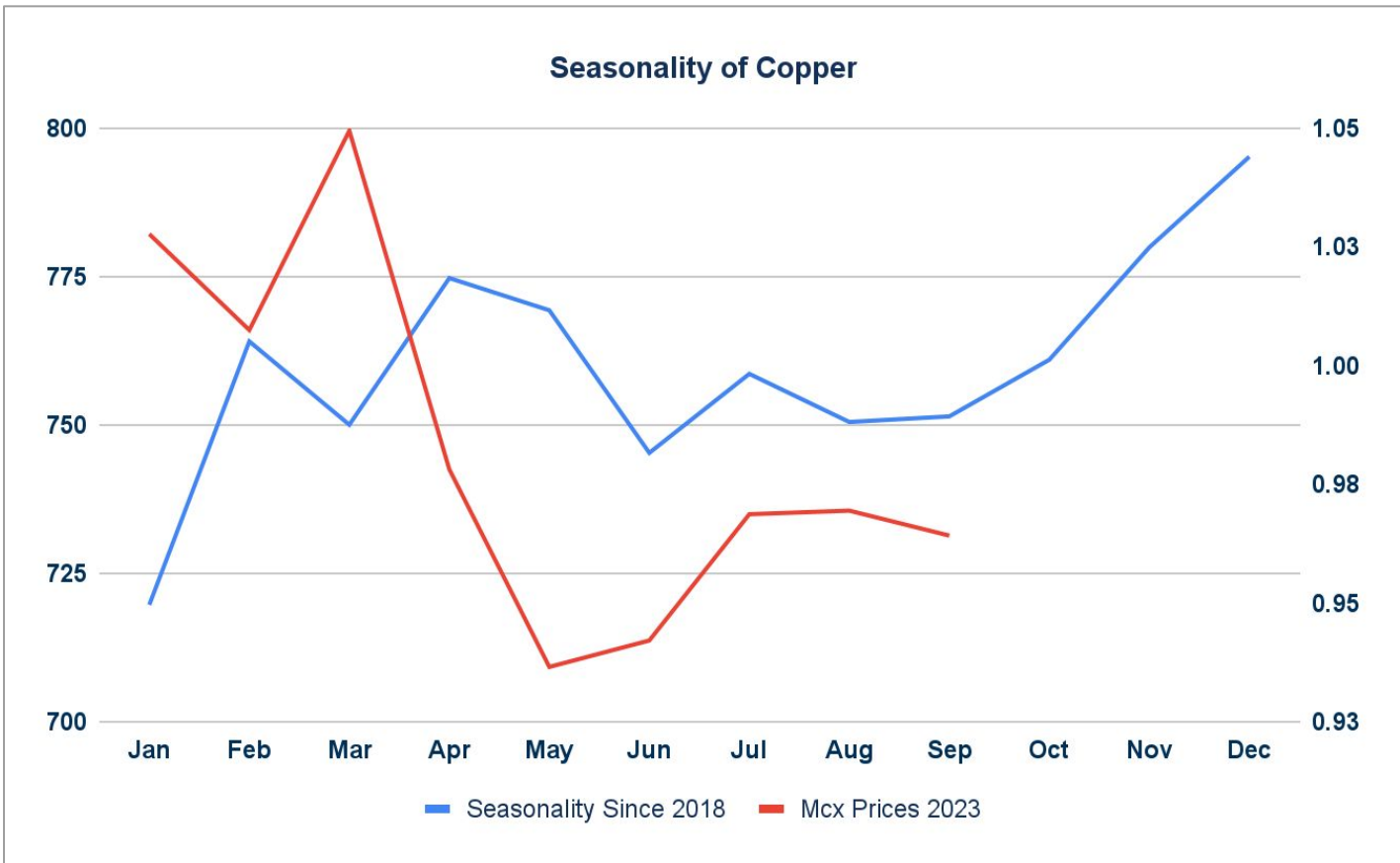
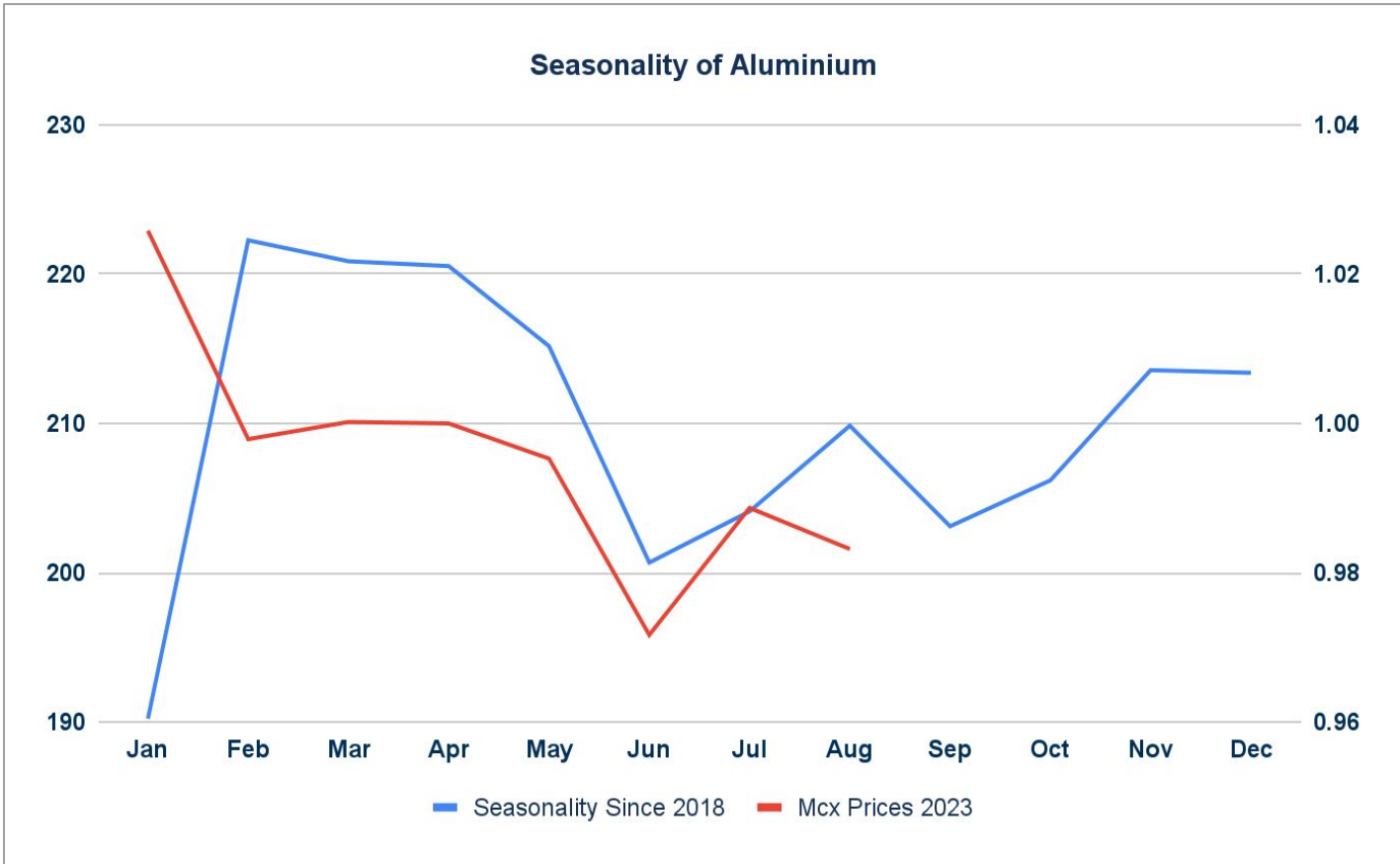


SPREAD

Commodity	Spread
ZINC NOV-OCT	1.65
ZINCMINI NOV-OCT	1.60

TRADING LEVELS

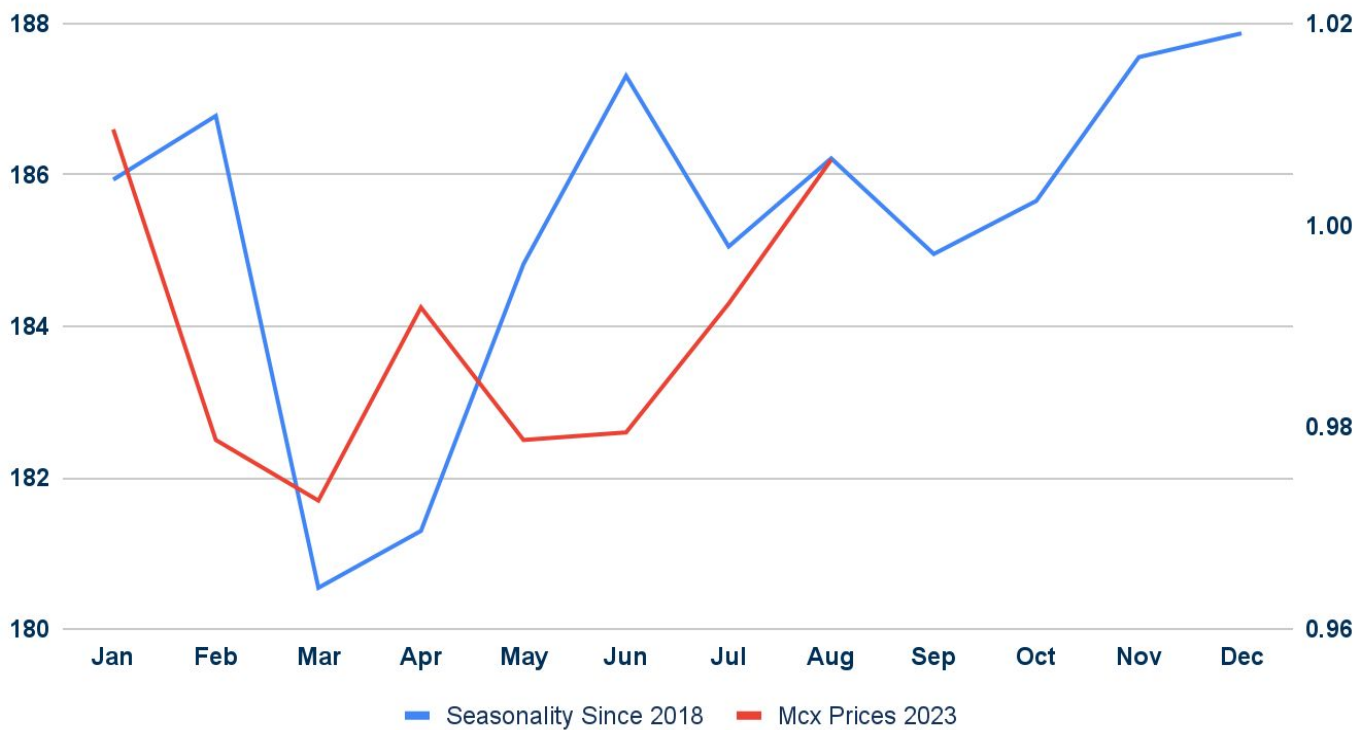
Commodity	Expiry	Close	R2	R1	PP	S1	S2
ZINC	31-Oct-23	222.05	224.50	223.40	222.20	221.10	219.90
ZINC	30-Nov-23	223.70	225.30	224.50	223.60	222.80	221.90
ZINCMINI	31-Oct-23	222.10	224.90	223.60	222.30	221.00	219.70
ZINCMINI	30-Nov-23	223.70	225.10	224.40	223.60	222.90	222.10
Lme Zinc		2493.00	2534.00	2513.50	2494.00	2473.50	2454.00



### Seasonality of Zinc



### Seasonality of Lead



## Weekly Economic Data

Date	Curr.	Data
Sep 25	EUR	German ifo Business Climate
Sep 25	EUR	Belgian NBB Business Climate
Sep 26	USD	S&P/CS Composite-20 HPI y/y
Sep 26	USD	HPI m/m
Sep 26	USD	CB Consumer Confidence
Sep 26	USD	New Home Sales
Sep 26	USD	Richmond Manufacturing Index
Sep 27	EUR	German GfK Consumer Climate
Sep 27	EUR	Private Loans y/y
Sep 27	USD	Core Durable Goods Orders m/m
Sep 27	USD	Durable Goods Orders m/m
Sep 27	USD	Crude Oil Inventories
Sep 28	EUR	Spanish Flash CPI y/y

Date	Curr.	Data
Sep 28	USD	Final GDP Price Index q/q
Sep 28	USD	FOMC Member Goolsbee Speaks
Sep 28	USD	Pending Home Sales m/m
Sep 28	USD	Natural Gas Storage
Sep 29	EUR	German Import Prices m/m
Sep 29	EUR	German Retail Sales m/m
Sep 29	EUR	Core CPI Flash Estimate y/y
Sep 29	EUR	CPI Flash Estimate y/y
Sep 29	USD	Core PCE Price Index m/m
Sep 29	USD	Goods Trade Balance
Sep 29	USD	Personal Income m/m
Sep 29	USD	Personal Spending m/m
Sep 29	USD	Prelim Wholesale Inventories m/m

## News you can Use

Bank of Japan policymakers agreed on the need to maintain ultra-loose monetary policy but were divided on how soon the central bank could end negative interest rates, minutes of its July meeting showed. One member said there was "still a significantly long way to go" before the BOJ can revise its negative interest rate policy, the minutes showed. Another member, however, said achievement of the BOJ's 2% inflation target had "clearly come in sight," adding that it might be possible to assess whether the target has been met "around January through March 2024," the minutes showed. Many members agreed the central bank must keep interest rates ultra-low for now as stable, sustainable achievement of its 2% target was not yet in sight, the minutes showed. At the July meeting, the BOJ maintained its easy policy settings but took steps to allow long-term borrowing costs to rise more freely in line with increasing inflation and economic growth. While Governor Kazuo Ueda dismissed the view the July action was a prelude to a future exit from its current policy, many market players now expect the BOJ to begin phasing out its massive stimulus programme later this year or in 2024.

China's central bank said it would step up policy adjustments and implement monetary policy in a "precise and forceful" manner to support the economic recovery. The People's Bank of China (PBOC) will keep liquidity reasonably ample and maintain stable credit expansion, the bank said in a statement after a quarterly meeting of its monetary policy committee. "The current external environment is becoming more complex and severe, international economic trade and investment are slowing down, inflation is still high, and interest rates in developed countries remain high," the central bank said. "The domestic economy continues to recover and improve, within increasing momentum, but it still faces challenges such as insufficient demand." "We need to continue to work hard and take advantage of the improving momentum, step up macro policy adjustments, implement the prudent monetary policy in a precise and forceful manner," the PBOC said. The world's second-largest economy is showing some signs of stabilising after a flurry of modest policy measures, but the outlook is clouded by a property downturn, aging demographics, high

debt and geopolitical tensions.

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