



**KEDIA** ADVISORY

# DAILY BASE METALS REPORT

7 May 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-May-24	858.40	868.85	858.40	866.70	11.40
ZINC	31-May-24	257.70	259.95	256.00	259.10	1.53
ALUMINIUM	31-May-24	236.95	237.30	228.30	234.55	-1.09
LEAD	31-May-24	191.55	192.95	191.50	192.25	3.24

## Open Interest Update

Commodity	Expiry	% Change	% Oi Change	Oi Status
COPPER	31-May-24	1.33	-0.23	Short Covering
ZINC	31-May-24	0.50	1.53	Fresh Buying
ALUMINIUM	31-May-24	0.54	-1.09	Short Covering
LEAD	31-May-24	0.39	3.24	Fresh Buying

## International Update

Commodity	Open	High	Low	Close	% Change
Lme Copper	9828.00	9954.50	9784.00	9930.00	1.68
Lme Zinc	2908.50	2930.00	2887.50	2911.00	0.87
Lme Aluminium	2540.00	2575.50	2531.00	2555.00	1.07
Lme Lead	2197.00	2194.00	2194.00	2215.00	1.61
Lme Nickel	18650.00	18550.00	18525.00	18648.00	-1.22

## Ratio Update

Ratio	Price	Ratio	Price
Gold / Silver Ratio	86.03	Crudeoil / Natural Gas Ratio	35.12
Gold / Crudeoil Ratio	10.91	Crudeoil / Copper Ratio	7.55
Gold / Copper Ratio	82.35	Copper / Zinc Ratio	3.35
Silver / Crudeoil Ratio	12.68	Copper / Lead Ratio	4.51
Silver / Copper Ratio	95.71	Copper / Aluminium Ratio	3.70

## TECHNICAL SNAPSHOT



**SELL ALUMINIUM MAY @ 236 SL 238 TGT 233-230. MCX**

### OBSERVATIONS

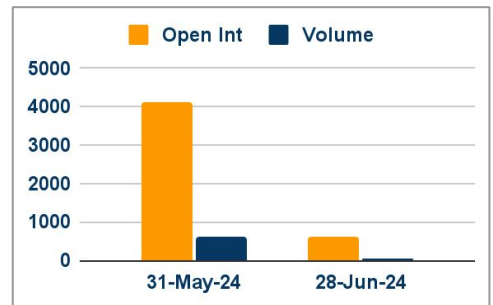
Aluminium trading range for the day is 224.4-242.4.

Aluminium gains as smelters in Yunnan, remained subject to production curbs.

Supply prospects were further hurt by fears that Western consumers will be hesitant to engage in Russian metal buying outside LME contracts.

China's imports of unwrought aluminium and products jumped 89.8% at 380,000 metric tons in March

### OI & VOLUME



### SPREAD

Commodity	Spread
ALUMINIUM JUN-MAY	1.05
ALUMINI JUN-MAY	0.95

### TRADING LEVELS

Commodity	Expiry	Close	R2	R1	PP	S1	S2
ALUMINIUM	31-May-24	234.55	242.40	238.50	233.40	229.50	224.40
ALUMINIUM	28-Jun-24	235.60	238.20	236.90	235.10	233.80	232.00
ALUMINI	31-May-24	235.25	241.60	238.40	234.20	231.00	226.80
ALUMINI	28-Jun-24	236.20	240.10	238.20	234.60	232.70	229.10
Lme Aluminium		2555.00	2598.50	2577.00	2554.00	2532.50	2509.50

**TECHNICAL SNAPSHOT**



**SELL COPPER MAY @ 870 SL 874 TGT 865-860. MCX**

**OBSERVATIONS**

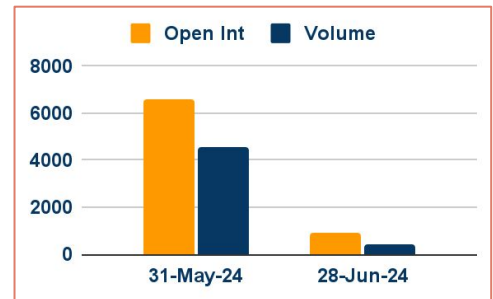
Copper trading range for the day is 854.3-875.1.

Copper rebounds on weak dollar after US jobs data

ICSG made a sharp cut to its estimate for a global surplus this year, to 162,000 tons from the 467,000 tons forecast in October.

Cobre Panama, the world's largest open-pit copper mine was suspended, while power cuts in Zambia hit key mines.

**OI & VOLUME**



**SPREAD**

Commodity	Spread
COPPER JUN-MAY	4.45

**TRADING LEVELS**

Commodity	Expiry	Close	R2	R1	PP	S1	S2
COPPER	31-May-24	866.70	875.10	871.00	864.70	860.60	854.30
COPPER	28-Jun-24	871.15	877.50	874.40	869.70	866.60	861.90
Lme Copper		9930.00	10060.50	9996.00	9890.00	9825.50	9719.50

TECHNICAL SNAPSHOT



**SELL ZINC MAY @ 260 SL 263 TGT 257-255. MCX**

OBSERVATIONS

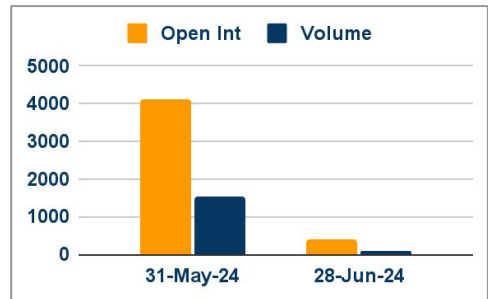
OI & VOLUME

Zinc trading range for the day is 254.5-262.3.

Zinc gains amid supply disruption concern and optimism around China's economic recovery.

The global zinc market surplus widened to 40,100 metric tons in February from 12,300 tons in January

Zinc production at Nyrstar's Budel smelting operations in the Netherlands will resume



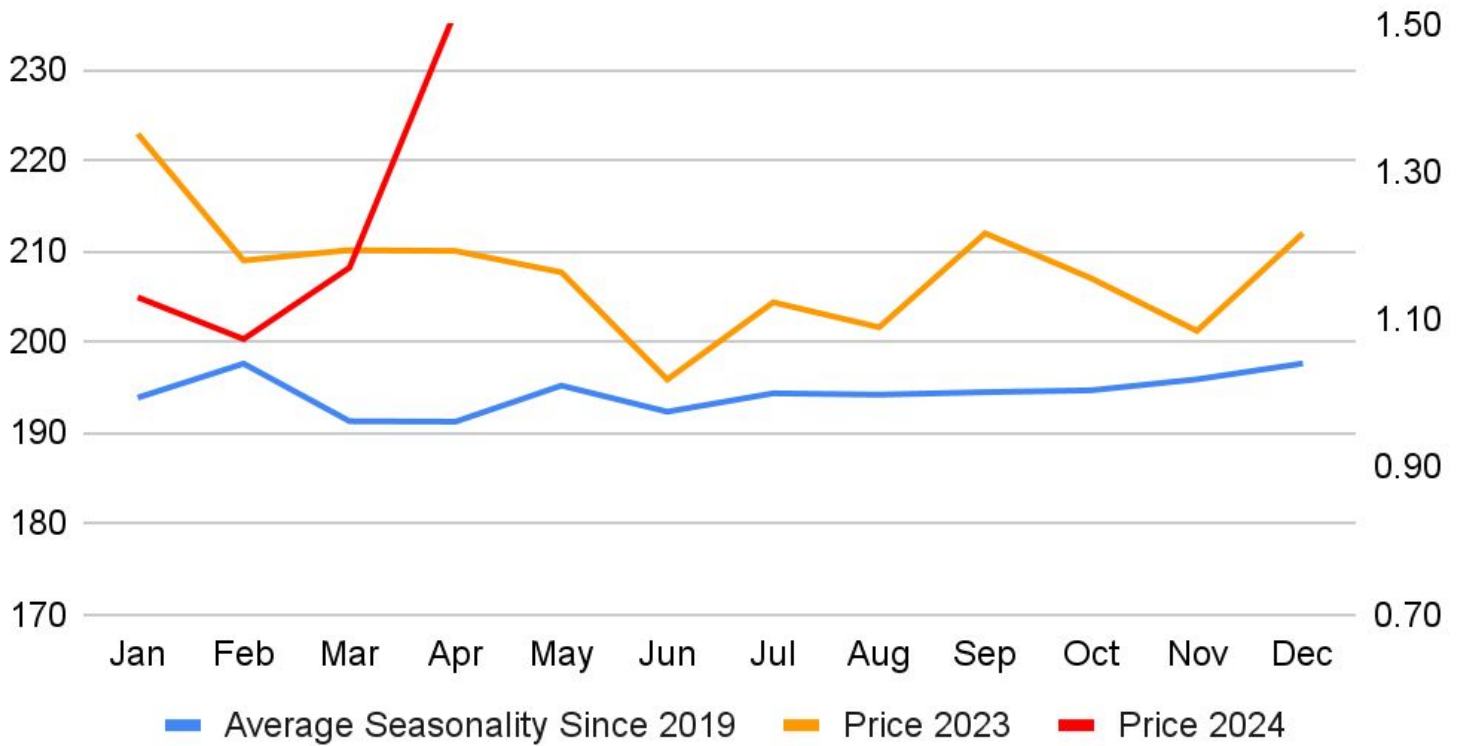
SPREAD

Commodity	Spread
ZINC JUN-MAY	1.20
ZINCMINI JUN-MAY	1.30

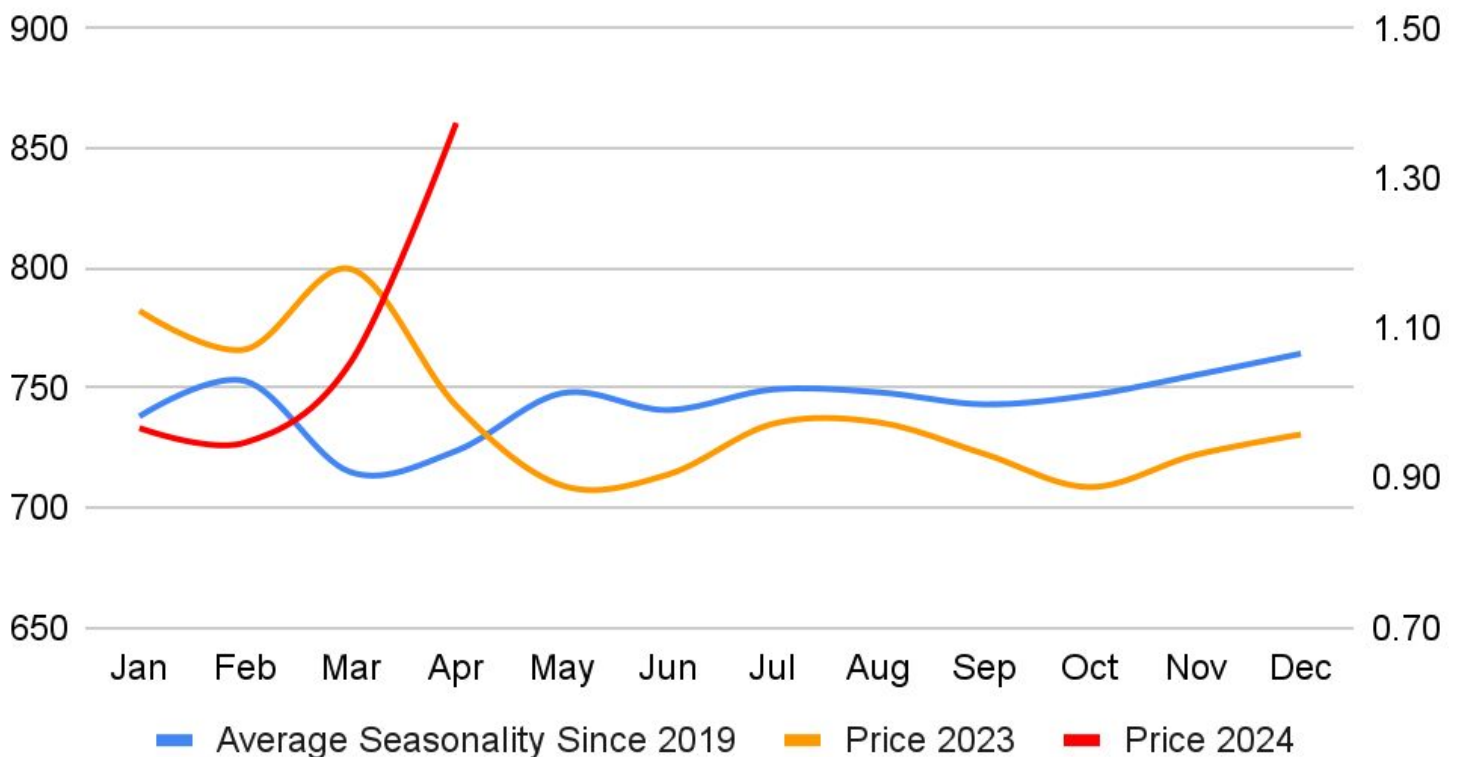
TRADING LEVELS

Commodity	Expiry	Close	R2	R1	PP	S1	S2
ZINC	31-May-24	259.10	262.30	260.80	258.40	256.90	254.50
ZINC	28-Jun-24	260.30	262.30	261.40	260.10	259.20	257.90
ZINCMINI	31-May-24	258.95	261.80	260.40	258.20	256.80	254.60
ZINCMINI	28-Jun-24	260.25	262.60	261.40	259.70	258.50	256.80
Lme Zinc		2911.00	2952.50	2932.50	2910.00	2890.00	2867.50

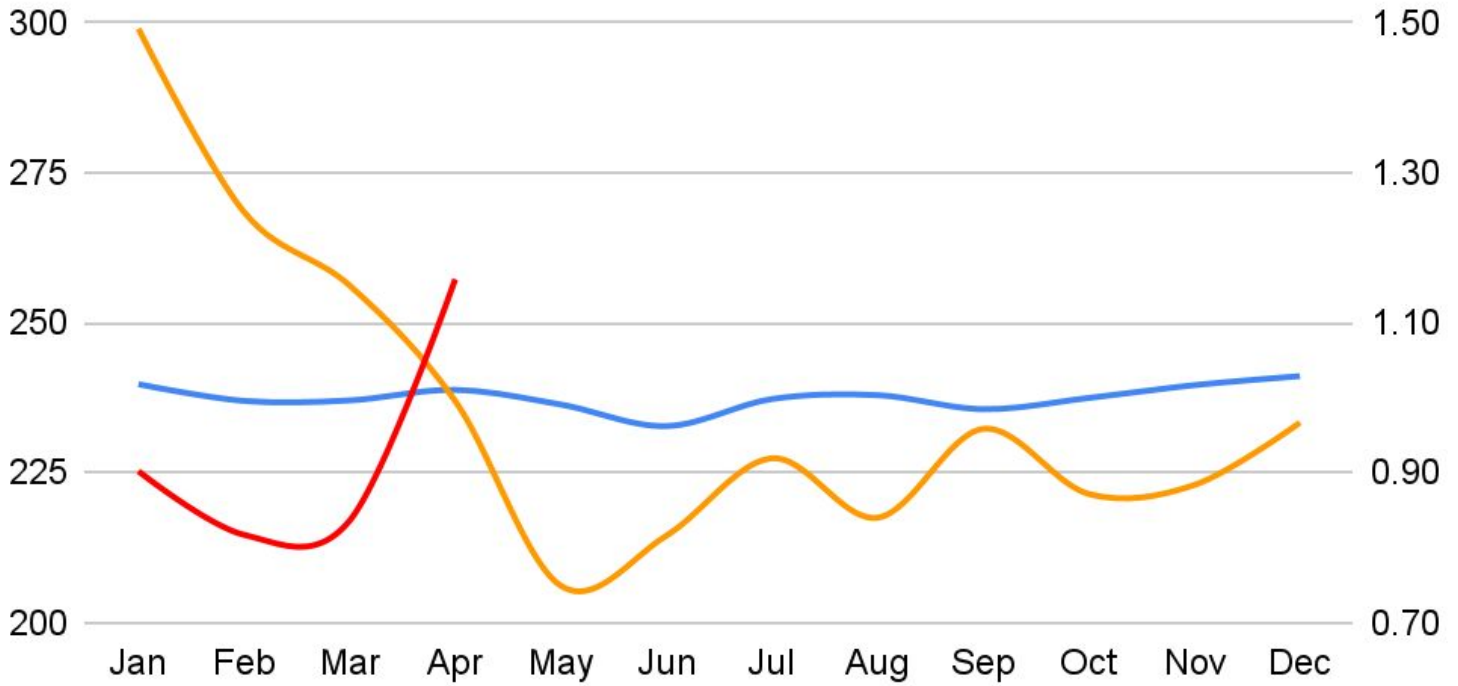
### Aluminium Seasonality



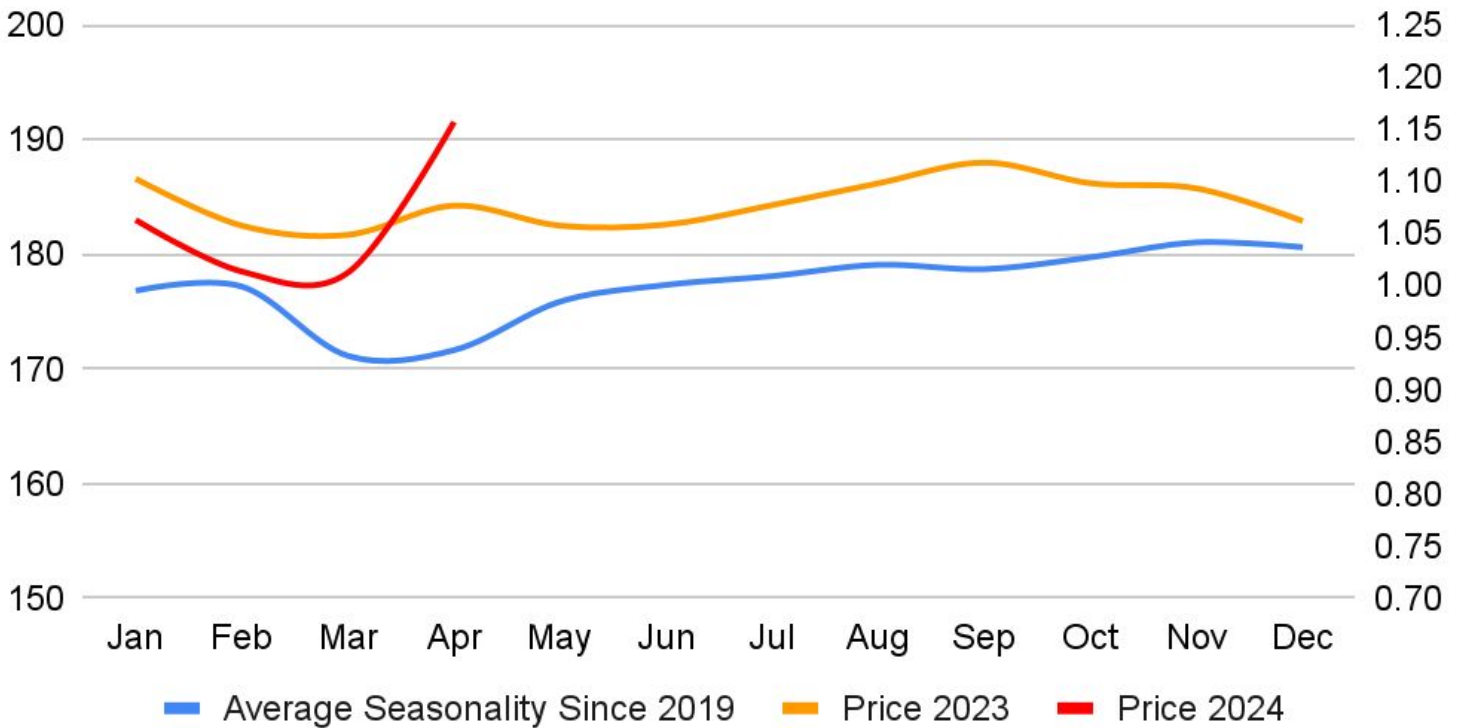
### Copper Seasonality



### Zinc Seasonality



### Lead Seasonality



— Average Seasonality Since 2019    — Price 2023    — Price 2024

## Weekly Economic Data

Date	Curr.	Data	Date	Curr.	Data
May 6	EUR	Spanish Unemployment Change	May 8	USD	Final Wholesale Inventories m/m
May 6	EUR	Italian Services PMI	May 8	USD	Crude Oil Inventories
May 6	EUR	French Final Services PMI	May 9	USD	Unemployment Claims
May 6	EUR	German Final Services PMI	May 9	USD	Natural Gas Storage
May 6	EUR	Final Services PMI	May 10	GBP	GDP m/m
May 6	EUR	Sentix Investor Confidence	May 10	GBP	Prelim GDP q/q
May 6	EUR	PPI m/m	May 10	GBP	Construction Output m/m
May 7	EUR	German Factory Orders m/m	May 10	GBP	Goods Trade Balance
May 7	EUR	German Trade Balance	May 10	GBP	Index of Services 3m/3m
May 7	EUR	French Prelim Private Payrolls q/q	May 10	GBP	Industrial Production m/m
May 7	EUR	French Trade Balance	May 10	GBP	Manufacturing Production m/m
May 7	GBP	Construction PMI	May 10	GBP	Prelim Business Investment q/q
May 7	EUR	Retail Sales m/m	May 10	EUR	Italian Industrial Production m/m

## News you can Use

The case for a European Central Bank interest rate cut in June is getting stronger as services inflation is finally starting to ease, ECB Chief Economist Philip Lane told Spanish newspaper El Confidencial. The ECB has all but promised a rate cut on June 6, provided incoming data strengthen policymakers' belief that inflation will head back to its 2% target by the middle of next year. "Both the April flash estimate for euro area inflation and the first quarter GDP number that came out improve my confidence that inflation should return to target in a timely manner," Lane told. "So, as of today, my personal confidence level has improved compared with our April meeting," Lane said, adding that more crucial data is still to be published in the weeks ahead. Investors also seem to think that a cut in June is all but a done deal, but doubts about subsequent moves have increased in recent weeks after the U.S. Federal Reserve signalled that its own policy easing could be delayed. Lane said that April inflation data finally showed progress on services prices but the bank would continue to focus on services to make sure it did not derail disinflation later on.

The Caixin China General Services PMI was down to 52.5 in April 2024 from 52.7, matching forecasts of 52.5. It was the 16th straight month of growth in services activity, with new business growing the most in nearly a year, supported by the latest rise in activity and an improvement in confidence. New order growth accelerated to the fastest since May 2023 amid improved demand conditions and a broadening of customer bases, with foreign sales rising the most in 10 months. Employment fell for the 3rd straight month due to resignations and redundancies, while backlogs of work remained unchanged. On the cost side, input cost inflation accelerated due to higher raw materials, labor, and energy costs despite being below the series average. Meanwhile, output price inflation accelerated above the series average as firms sought to share rising cost burdens with clients. Finally, business remained optimistic, although below its historical average, amid hopes of improvement in market prospects. The Caixin China General Composite PMI was at 52.8 in April 2024, up slightly from 52.7 in the prior two months. It was the highest reading since May 2023, pointing to the sixth straight month of growth in private sector activity



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