

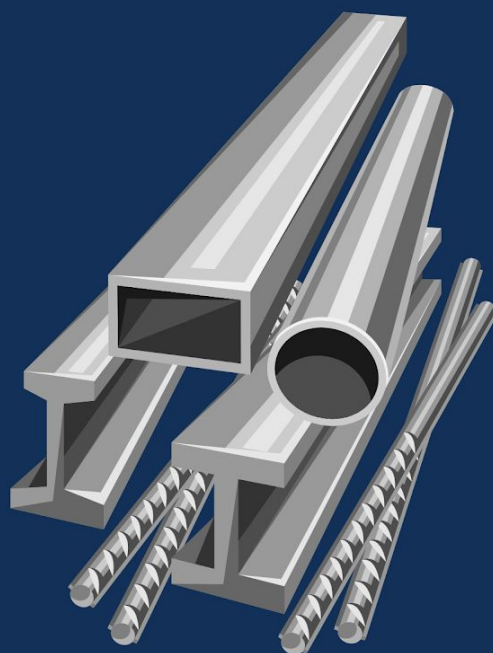


**KEDIA** ADVISORY

# DAILY BASE METALS REPORT

9 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	697.45	707.50	696.00	705.90	9.20
ZINC	31-Oct-23	221.75	224.00	221.10	222.85	-0.88
ALUMINIUM	31-Oct-23	205.80	206.60	205.00	205.75	3.00
LEAD	31-Oct-23	187.15	188.50	187.15	187.60	1.31

## Open Interest Update

Commodity	Expiry	% Change	% Oi Change	Oi Status
COPPER	31-Oct-23	1.32	-13.90	Short Covering
ZINC	31-Oct-23	0.63	-0.88	Short Covering
ALUMINIUM	31-Oct-23	0.10	3.00	Fresh Buying
LEAD	31-Oct-23	0.24	1.31	Fresh Buying

## International Update

Commodity	Open	High	Low	Close	% Change
Lme Copper	7975.00	7968.00	7968.00	8046.00	1.86
Lme Zinc	2510.00	2501.00	2498.00	2509.00	1.31
Lme Aluminium	2242.00	2238.00	2238.00	2239.50	0.34
Lme Lead	2165.00	2160.00	2161.00	2143.50	0.37
Lme Nickel	18530.00	18500.00	18525.00	18490.00	-1.24

## Ratio Update

Ratio	Price	Ratio	Price
Gold / Silver Ratio	83.43	Crudeoil / Natural Gas Ratio	24.92
Gold / Crudeoil Ratio	8.27	Crudeoil / Copper Ratio	9.74
Gold / Copper Ratio	80.57	Copper / Zinc Ratio	3.17
Silver / Crudeoil Ratio	9.92	Copper / Lead Ratio	3.76
Silver / Copper Ratio	96.57	Copper / Aluminium Ratio	3.43

## TECHNICAL SNAPSHOT



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

### OBSERVATIONS

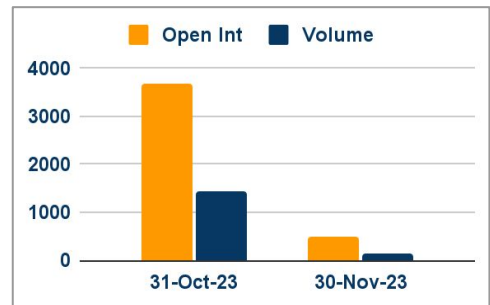
Aluminium trading range for the day is 204.2-207.4.

Aluminium recovered on low level support after prices dropped as the soaring dollar reinforced concerns about demand

Citi expects aluminum prices to grind lower to \$2,100 per ton in the 0-3 month horizon.

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

### OI & VOLUME



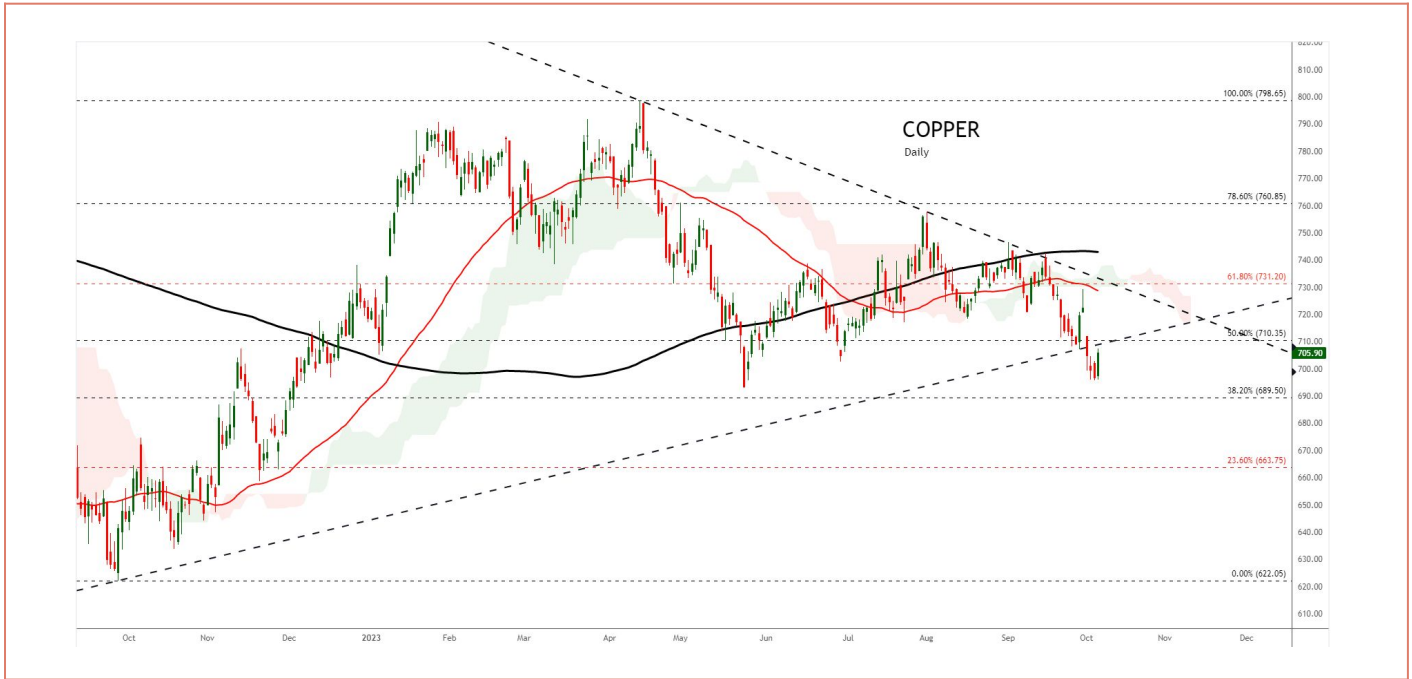
### SPREAD

Commodity	Spread
ALUMINIUM NOV-OCT	1.50
ALUMINI NOV-OCT	0.05

### TRADING LEVELS

Commodity	Expiry	Close	R2	R1	PP	S1	S2
ALUMINIUM	31-Oct-23	205.75	207.40	206.60	205.80	205.00	204.20
ALUMINIUM	30-Nov-23	207.25	208.80	208.00	207.20	206.40	205.60
ALUMINI	31-Oct-23	207.75	209.00	208.40	207.40	206.80	205.80
ALUMINI	30-Nov-23	207.80	209.00	208.50	207.50	207.00	206.00
Lme Aluminium		2239.50	2239.00	2240.00	2239.00	2240.00	2239.00

**TECHNICAL SNAPSHOT**



**BUY COPPER OCT @ 703 SL 698 TGT 708-712. MCX**

**OBSERVATIONS**

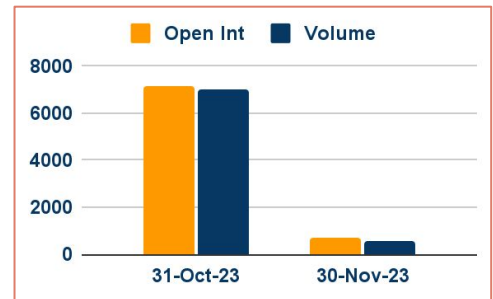
Copper trading range for the day is 691.6-714.6.

Copper prices gained on short covering amid looming shortage concerns.

Trafigura sees potential \$12,000 high for copper

Citi foresees near-term (0-3 months) downside for copper prices, with a potential drop to \$7,500 per ton

**OI & VOLUME**



**SPREAD**

Commodity	Spread
COPPER NOV-OCT	3.20

**TRADING LEVELS**

Commodity	Expiry	Close	R2	R1	PP	S1	S2
COPPER	31-Oct-23	705.90	714.60	710.20	703.10	698.70	691.60
COPPER	30-Nov-23	709.10	717.20	713.20	706.60	702.60	696.00
Lme Copper		8046.00	7994.00	8020.00	7994.00	8020.00	7994.00

TECHNICAL SNAPSHOT



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

OBSERVATIONS

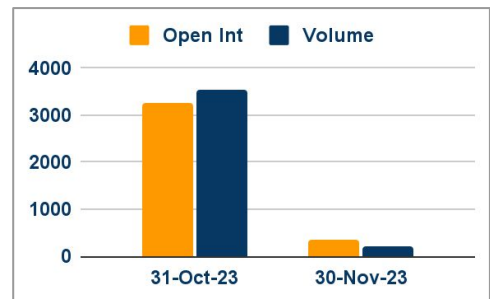
OI & VOLUME

Zinc trading range for the day is 219.8-225.6.

Zinc gains amid renewed hopes for China's economic recovery and expectations of reduced production

Zinc prices are predicted to fall to \$2,300 per ton within the next three months - Citi

China's domestic output of refined zinc this year has risen

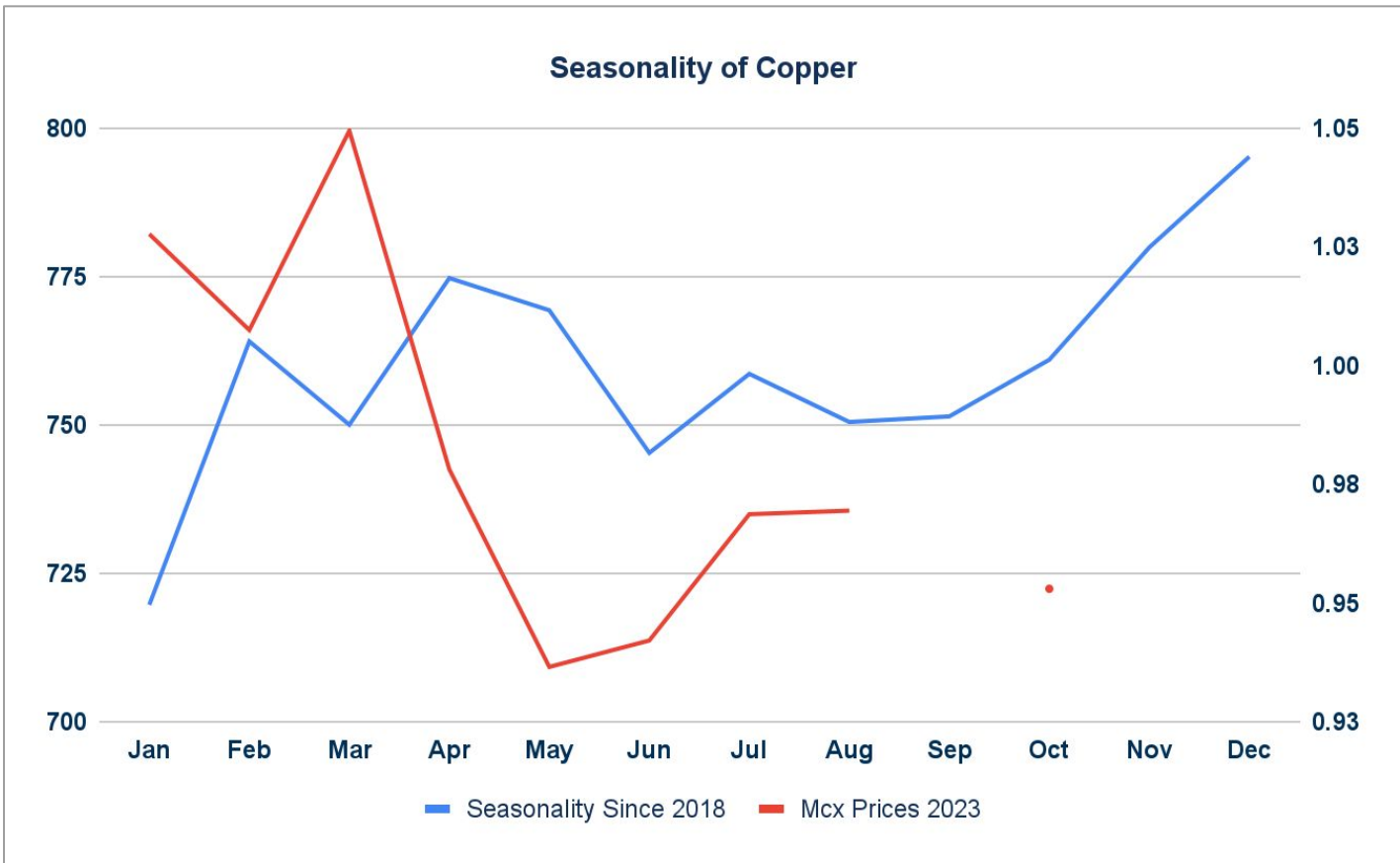
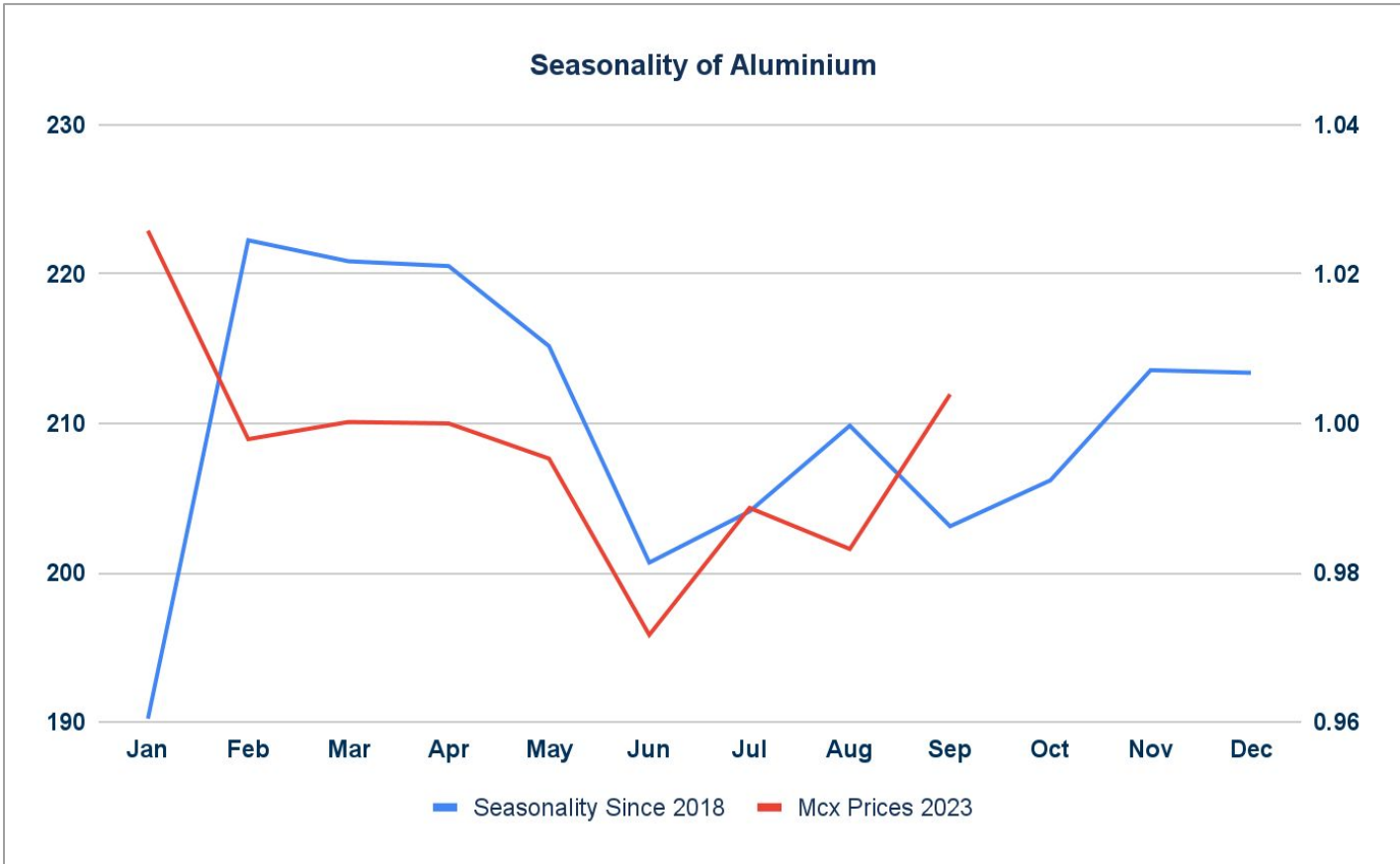


SPREAD

Commodity	Spread
ZINC NOV-OCT	1.90
ZINCMINI NOV-OCT	1.25

TRADING LEVELS

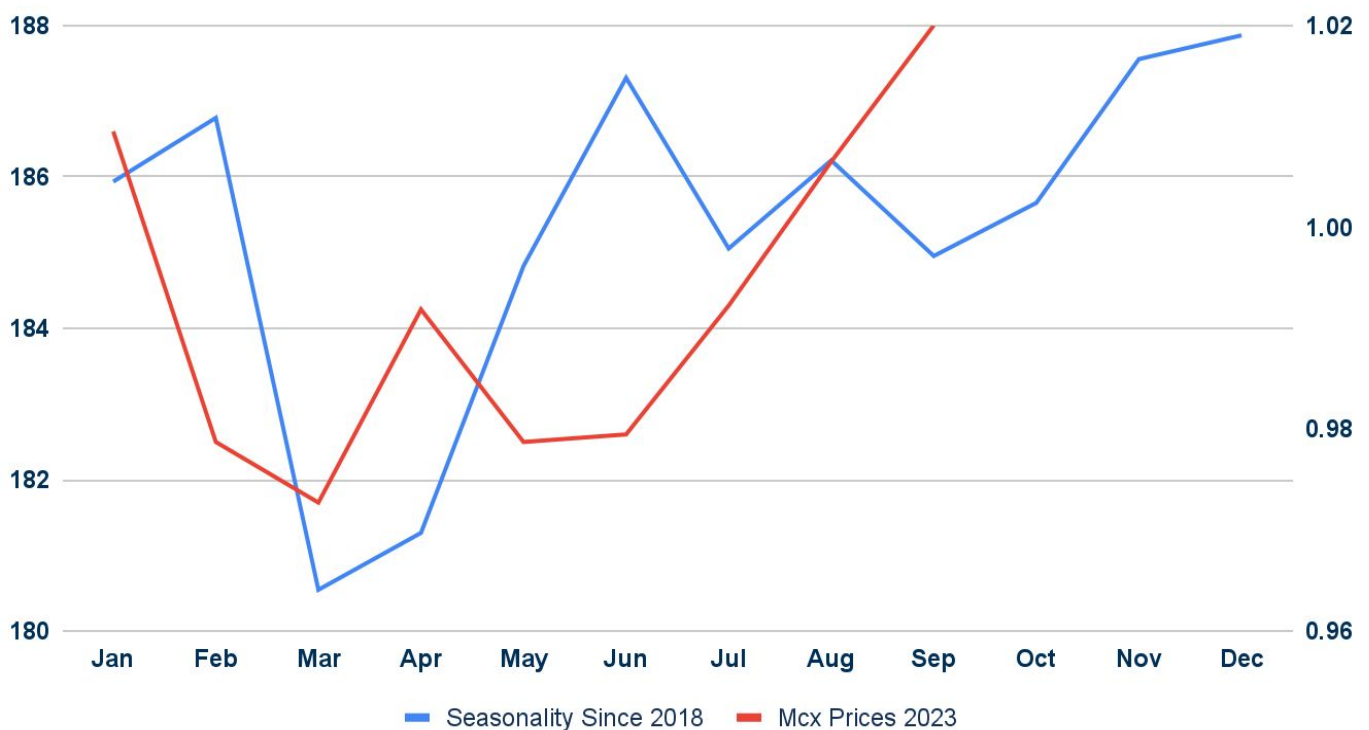
Commodity	Expiry	Close	R2	R1	PP	S1	S2
ZINC	31-Oct-23	222.85	225.60	224.30	222.70	221.40	219.80
ZINC	30-Nov-23	224.75	227.10	226.00	224.30	223.20	221.50
ZINCMINI	31-Oct-23	222.90	225.30	224.20	222.70	221.60	220.10
ZINCMINI	30-Nov-23	224.15	226.60	225.50	224.20	223.10	221.80
Lme Zinc		2509.00	2506.00	2508.00	2503.00	2505.00	2500.00



### Seasonality of Zinc



### Seasonality of Lead



## Weekly Economic Data

Date	Curr.	Data
Oct 9	EUR	German Industrial Production m/m
Oct 9	EUR	Sentix Investor Confidence
Oct 9	USD	FOMC Member Barr Speaks
Oct 9	USD	FOMC Member Logan Speaks
Oct 9	USD	FOMC Member Jefferson Speaks
Oct 10	EUR	Italian Industrial Production m/m
Oct 10	USD	NFIB Small Business Index
Oct 10	USD	Final Wholesale Inventories m/m
Oct 10	USD	FOMC Member Waller Speaks
Oct 11	USD	FOMC Member Kashkari Speaks
Oct 11	EUR	German Final CPI m/m
Oct 11	USD	FOMC Member Bowman Speaks
Oct 11	USD	Core PPI m/m

Date	Curr.	Data
Oct 12	EUR	ECB Monetary Policy Meeting
Oct 12	USD	Core CPI m/m
Oct 12	USD	CPI m/m
Oct 12	USD	CPI y/y
Oct 12	USD	Unemployment Claims
Oct 12	USD	Natural Gas Storage
Oct 12	USD	Crude Oil Inventories
Oct 12	USD	Federal Budget Balance
Oct 13	EUR	French Final CPI m/m
Oct 13	EUR	Industrial Production m/m
Oct 13	USD	Import Prices m/m
Oct 13	EUR	ECB President Lagarde Speaks
Oct 13	USD	FOMC Member Harker Speaks

## News you can Use

U.S. Federal Reserve officials say that monetary policy will need to stay restrictive for "some time" to bring inflation back down to the Fed's 2% target, but their unity around that phrase masks an ongoing debate over another possible rate hike this year. "I remain willing to support raising the federal funds rate at a future meeting if the incoming data indicates that progress on inflation has stalled or is too slow to bring inflation to 2% in a timely way," Fed Governor Michelle Bowman said in prepared remarks to a banking conference. Despite considerable progress, she said, "inflation continues to be too high, and I expect it will likely be appropriate for the (Fed) to raise rates further and hold them at a restrictive level for some time." Inflation, as measured by the consumer price index, is down from around 9% last year to around 3.7% at last read, slowed at least in part by the Fed's 5.25 percentage points of interest-rate increases over the last 18 months. The Fed targets 2% inflation. Given that progress, U.S. central bankers last month opted to keep the policy rate in its current 5.25%-5.50% range even as most signaled another rate hike would likely be needed before year's end.

The HCOB Eurozone Construction PMI edged slightly higher to 43.6 in September of 2023 from 43.4 in August, but continued to point to a sharp contraction in the construction sector. Demand conditions remained weak, with new business declining at the quickest pace since May 2020, leading to further marked falls in activity and input buying. Activity continued to contract across all categories, with house building leading the decline. Also, the sharp drop in overall construction activity was once again seen in Germany. The HCOB Germany Construction PMI fell sharply to 39.3 in September 2023 from 41.5 in August, marking the sharpest contraction since April 2020. The downturn was driven mainly by a sustained broad decline in the housing sector. Additionally, commercial building projects dropped markedly and to the greatest extent since September 2022, while civil engineering works returned to contraction after a brief uptick in August. Moreover, inflows of new work dropped to their fourth-fastest rate on record, reflecting the challenging demand conditions faced by constructors amid higher borrowing rates and uncertainty among customers.



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