

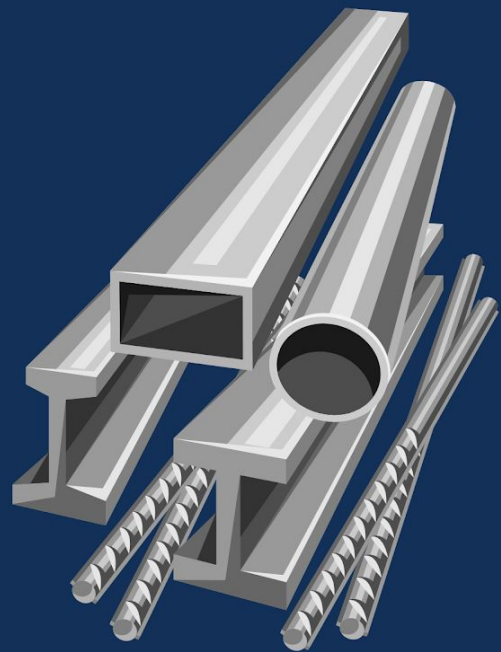


**KEDIA** ADVISORY

# DAILY BASE METALS REPORT

18 Dec 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	29-Dec-23	727.55	730.90	721.25	725.65	-1.50
ZINC	29-Dec-23	222.60	223.70	222.00	223.20	-1.48
ALUMINIUM	29-Dec-23	200.75	204.70	200.20	202.85	-23.24
LEAD	29-Dec-23	184.05	185.35	183.80	184.10	-8.50

## Open Interest Update

Commodity	Expiry	% Change	% Oi Change	Oi Status
COPPER	29-Dec-23	-0.21	-0.12	Long Liquidation
ZINC	29-Dec-23	0.65	-1.48	Short Covering
ALUMINIUM	29-Dec-23	1.20	-23.24	Short Covering
LEAD	29-Dec-23	-0.11	-8.50	Long Liquidation

## International Update

Commodity	Open	High	Low	Close	% Change
Lme Copper	8565.00	8562.50	8563.00	8549.00	-0.03
Lme Zinc	2526.00	2524.00	2522.00	2532.00	1.56
Lme Aluminium	2250.00	2249.00	2249.00	2247.50	1.70
Lme Lead	2088.00	2086.00	2085.00	2081.50	0.60
Lme Nickel	16850.00	16750.00	16800.00	16972.00	3.06

## Ratio Update

Ratio	Price	Ratio	Price
Gold / Silver Ratio	83.45	Crudeoil / Natural Gas Ratio	28.29
Gold / Crudeoil Ratio	10.45	Crudeoil / Copper Ratio	8.20
Gold / Copper Ratio	85.71	Copper / Zinc Ratio	3.25
Silver / Crudeoil Ratio	12.52	Copper / Lead Ratio	3.94
Silver / Copper Ratio	102.70	Copper / Aluminium Ratio	3.58

## TECHNICAL SNAPSHOT



**SELL ALUMINIUM DEC @ 204 SL 206 TGT 202-200. MCX**

### OBSERVATIONS

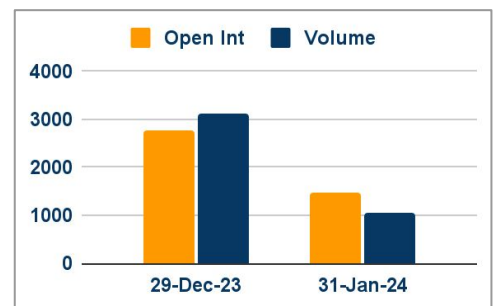
Aluminium trading range for the day is 198.1-207.1.

Aluminium gains amid drop in China's aluminum operating capacity, mainly from major cuts in Yunnan due to power shortages.

China's primary aluminium output in November climbed 4.8% from a year earlier

PBOC launched a total of CNY 1.45 trillion via a one-year medium-term lending facility (MLF) to the banking system and left the interest rate unchanged at 2.50%.

### OI & VOLUME



### SPREAD

Commodity	Spread
ALUMINIUM JAN-DEC	1.60
ALUMINI JAN-DEC	1.75

### TRADING LEVELS

Commodity	Expiry	Close	R2	R1	PP	S1	S2
ALUMINIUM	29-Dec-23	202.85	207.10	205.00	202.60	200.50	198.10
ALUMINIUM	31-Jan-24	204.45	208.50	206.50	204.20	202.20	199.90
ALUMINI	29-Dec-23	202.70	206.70	204.70	202.30	200.30	197.90
ALUMINI	31-Jan-24	204.45	208.60	206.50	204.30	202.20	200.00
Lme Aluminium		2247.50	2249.00	2249.00	2249.00	2249.00	2249.00



**TECHNICAL SNAPSHOT**

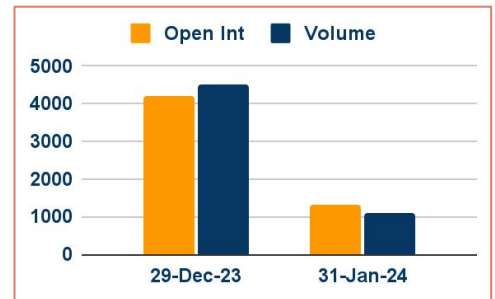


**SELL COPPER DEC @ 730 SL 735 TGT 725-722. MCX**

**OBSERVATIONS**

- Copper trading range for the day is 716.2-735.6.
- Copper dropped as inventories in SHFE warehouses rose 13.4%
- China likely to set 2024 economic growth target at around 5.0%
- Spot copper fees drop 25% from September on supply tightness

**OI & VOLUME**



**SPREAD**

Commodity	Spread
COPPER JAN-DEC	6.65

**TRADING LEVELS**

Commodity	Expiry	Close	R2	R1	PP	S1	S2
COPPER	29-Dec-23	725.65	735.60	730.60	725.90	720.90	716.20
COPPER	31-Jan-24	732.30	741.30	736.80	732.30	727.80	723.30
Lme Copper		8549.00	8557.50	8553.00	8558.00	8553.50	8558.50

TECHNICAL SNAPSHOT



**SELL ZINC DEC @ 225 SL 228 TGT 222-220. MCX**

OBSERVATIONS

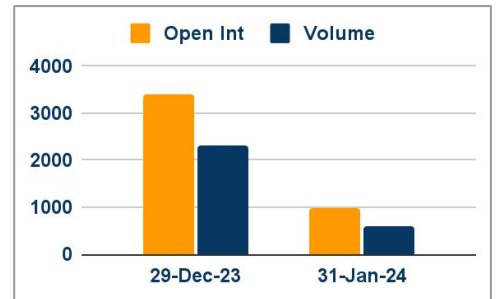
OI & VOLUME

Zinc trading range for the day is 221.3-224.7.

Zinc gains on improving Chinese industrial data and hopes for lower U.S. interest rates.

China's industrial production advanced by 6.6% year-on-year in November 2023

Also helping improve sentiment about the troubled property sector in China was news that Beijing and Shanghai relaxed home purchase restrictions China

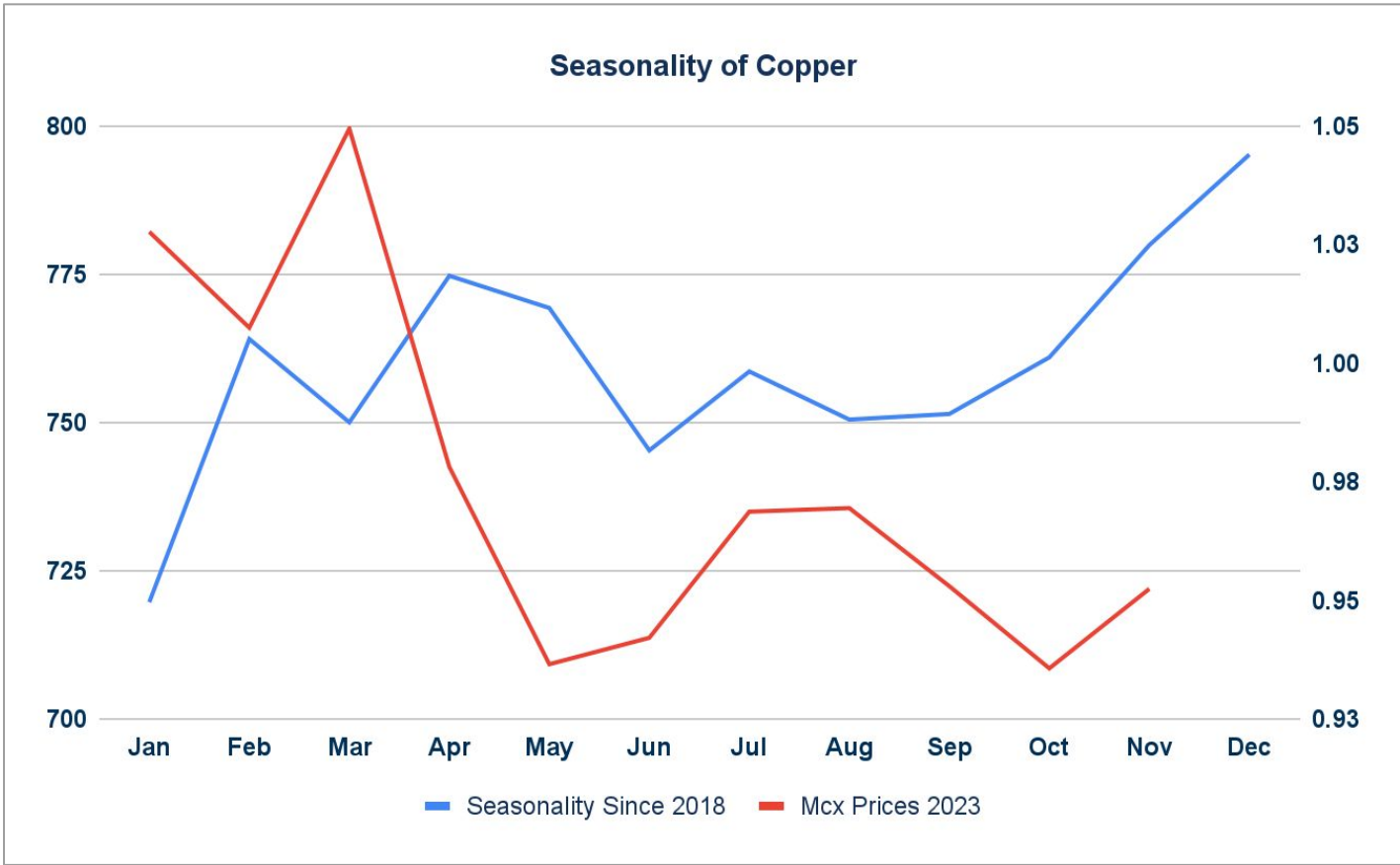
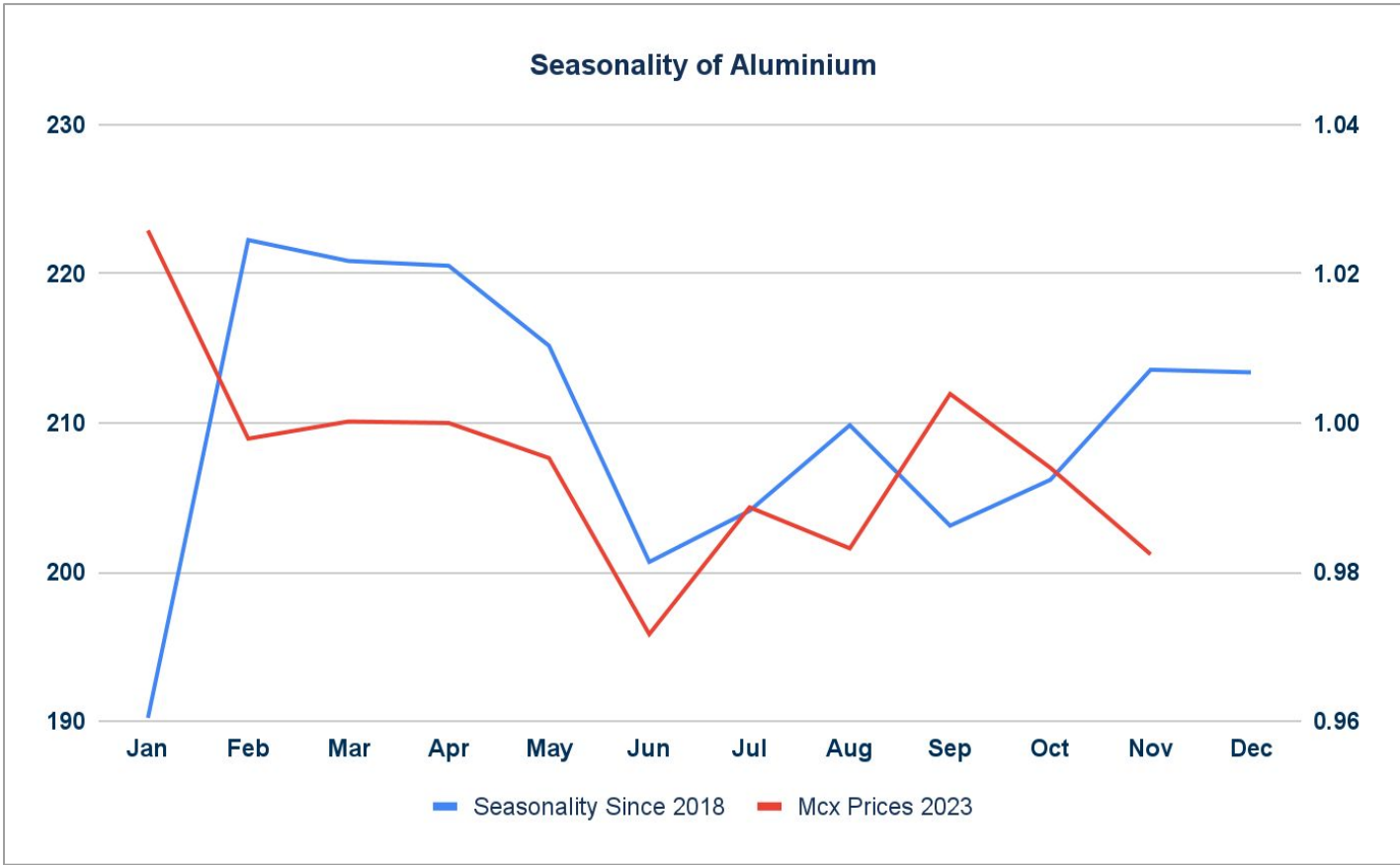


SPREAD

Commodity	Spread
ZINC JAN-DEC	1.90
ZINCMINI JAN-DEC	1.95

TRADING LEVELS

Commodity	Expiry	Close	R2	R1	PP	S1	S2
ZINC	29-Dec-23	223.20	224.70	224.00	223.00	222.30	221.30
ZINC	31-Jan-24	225.10	226.80	226.00	224.80	224.00	222.80
ZINCMINI	29-Dec-23	222.95	224.50	223.80	222.80	222.10	221.10
ZINCMINI	31-Jan-24	224.90	226.40	225.70	224.60	223.90	222.80
Lme Zinc		2532.00	2528.00	2530.00	2526.00	2528.00	2524.00

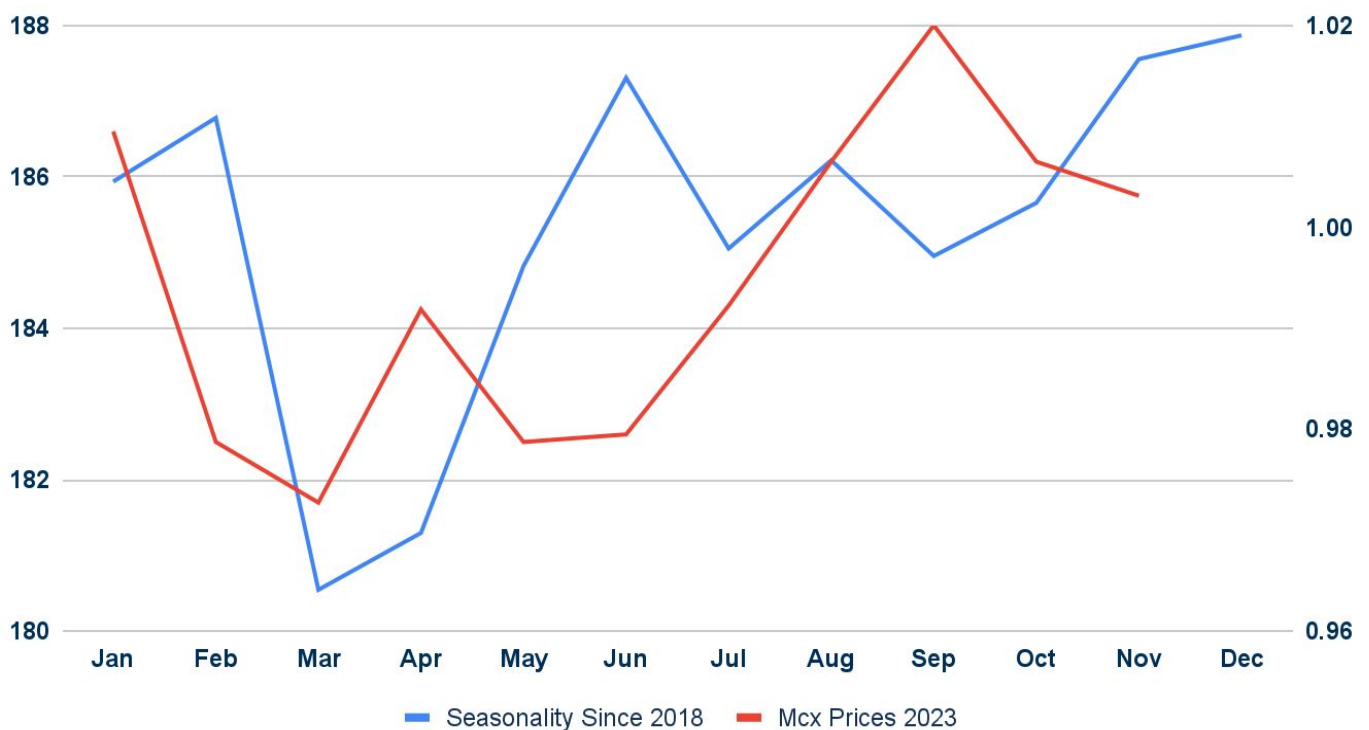




### Seasonality of Zinc



### Seasonality of Lead



## Weekly Economic Data

Date	Curr.	Data
Dec 18	EUR	German ifo Business Climate
Dec 18	USD	NAHB Housing Market Index
Dec 19	EUR	Final Core CPI y/y
Dec 19	EUR	Final CPI y/y
Dec 19	USD	Building Permits
Dec 19	USD	Housing Starts
Dec 20	EUR	German GfK Consumer Climate
Dec 20	EUR	German PPI m/m
Dec 20	EUR	Current Account
Dec 20	USD	Current Account
Dec 20	EUR	Consumer Confidence
Dec 20	USD	CB Consumer Confidence
Dec 20	USD	Existing Home Sales

Date	Curr.	Data
Dec 21	USD	Unemployment Claims
Dec 21	USD	Final GDP Price Index q/q
Dec 21	USD	Philly Fed Manufacturing Index
Dec 21	USD	CB Leading Index m/m
Dec 21	USD	Natural Gas Storage
Dec 22	EUR	German Import Prices m/m
Dec 22	USD	Core PCE Price Index m/m
Dec 22	USD	Core Durable Goods Orders m/m
Dec 22	USD	Durable Goods Orders m/m
Dec 22	USD	Personal Income m/m
Dec 22	USD	Personal Spending m/m
Dec 22	EUR	Belgian NBB Business Climate
Dec 22	USD	Revised UoM Consumer Sentiment

## News you can Use

The European Central Bank cut some of its inflation projections, putting price growth back at its 2% target in around two years and likely reinforcing bets that its next move will be a rate cut, perhaps as soon as the spring. The ECB ended an unprecedented string of rate hikes in September to combat runaway inflation but price growth has been cooling faster than anyone had thought, so investors are now betting that it could start reversing course as soon as March. The euro zone's central bank now sees inflation at 2.7% next year, below the 3.2% projected three months ago, while the 2025 forecast remained at 2.1%. In the bank's first projection for 2026, inflation is seen at 1.9%. The growth outlook remained weak, however, reflecting expectations that any recovery after a poor 2023 will be slow as consumers have lost part of their real income to high inflation over the past two years. The economy of the 20-country euro zone is seen expanding by 0.8% next year after a 1.0% projection in September while in 2025, growth is seen at an unchanged 1.5%.

The Bank of England stuck to its guns and said British interest rates needed to stay high for "an extended period", a day after the U.S. Federal Reserve signalled it would cut U.S. interest rates in 2024. The Monetary Policy Committee voted 6-3 to keep rates at a 15-year high of 5.25% and Governor Andrew Bailey said there was "still some way to go" in the fight against inflation, challenging investors who have bet increasingly on rate cuts. The three dissenting votes were in favour of raising borrowing costs and there was no talk of cutting them as the BoE remained concerned that inflation in Britain will prove stickier than in the United States and the euro zone. The central bank also largely shrugged off data showing a slowdown in wage growth and a 0.3% fall in gross domestic product in October - which raises the prospect of a recession in the run-up to a national election expected for 2024. The three policymakers who dissented wanted a further hike to 5.5%, and for most of the others the hold decision had been "finely balanced", minutes of their policy discussion showed.



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