



KEDIA ADVISORY

DAILY BASE METALS REPORT

17 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	896.55	901.40	888.65	894.30	2.35
ZINC	31-May-24	263.40	264.00	260.10	261.25	-3.58
ALUMINIUM	31-May-24	239.00	240.85	236.25	238.05	-6.69
LEAD	31-May-24	194.50	195.00	193.80	194.00	-5.28

Open Interest Update

Commodity	Expiry	% Change	% Oi Change	Oi Status
COPPER	31-May-24	0.26	-1.23	Short Covering
ZINC	31-May-24	-0.27	-3.58	Long Liquidation
ALUMINIUM	31-May-24	0.17	-6.69	Short Covering
LEAD	31-May-24	-0.18	-5.28	Long Liquidation

International Update

Commodity	Open	High	Low	Close	% Change
Lme Copper	10330.00	10452.50	10300.50	10384.00	1.03
Lme Zinc	2992.00	3012.50	2944.50	2965.00	-0.60
Lme Aluminium	2609.00	2632.50	2568.50	2593.00	-0.42
Lme Lead	2280.00	2302.00	2265.00	2296.00	1.15
Lme Nickel	19207.50	19568.50	19085.50	19564.00	2.69

Ratio Update

Ratio	Price	Ratio	Price
Gold / Silver Ratio	83.60	Crudeoil / Natural Gas Ratio	31.79
Gold / Crudeoil Ratio	11.03	Crudeoil / Copper Ratio	7.40
Gold / Copper Ratio	81.61	Copper / Zinc Ratio	3.42
Silver / Crudeoil Ratio	13.20	Copper / Lead Ratio	4.61
Silver / Copper Ratio	97.62	Copper / Aluminium Ratio	3.76

TECHNICAL SNAPSHOT



SELL ALUMINIUM MAY @ 239 SL 242 TGT 236-234. MCX

OBSERVATIONS

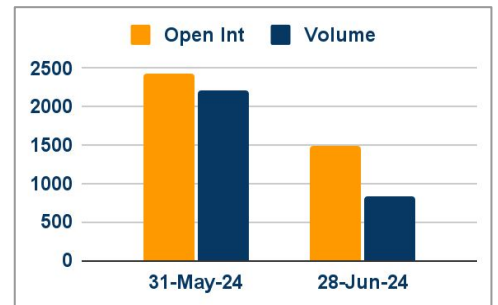
Aluminium trading range for the day is 233.8-243.

Aluminium gains aided by a weaker U.S. dollar and bullish demand outlook.

China's aluminium output was 3.515 million mt in April (30 days), up 4.98% YoY.

LME aluminium stocks surge to highest since October 2021

OI & VOLUME



SPREAD

Commodity	Spread
ALUMINIUM JUN-MAY	-0.15
ALUMINI JUN-MAY	-0.35

TRADING LEVELS

Commodity	Expiry	Close	R2	R1	PP	S1	S2
ALUMINIUM	31-May-24	238.05	243.00	240.60	238.40	236.00	233.80
ALUMINIUM	28-Jun-24	237.90	242.90	240.50	238.10	235.70	233.30
ALUMINI	31-May-24	238.90	243.10	241.00	239.10	237.00	235.10
ALUMINI	28-Jun-24	238.55	242.80	240.70	238.70	236.60	234.60
Lme Aluminium		2593.00	2662.00	2627.50	2598.00	2563.50	2534.00

TECHNICAL SNAPSHOT



SELL COPPER MAY @ 896 SL 902 TGT 890-886. MCX

OBSERVATIONS

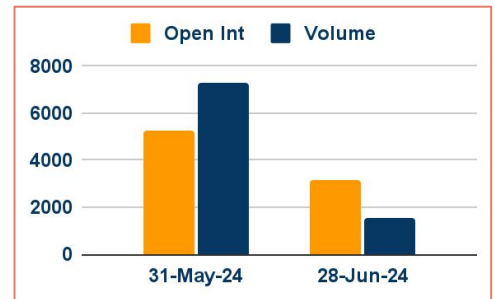
Copper trading range for the day is 882-907.6.

Copper gains supported by increasing concerns of tight supply

China imported more copper ore inputs despite the sharp increase in prices, highlighting demand from manufacturers..

The low availability of material hampered margins for smelters in China, responsible for over half of global supply, and pressured their output.

OI & VOLUME



SPREAD

Commodity	Spread
COPPER JUN-MAY	7.95

TRADING LEVELS

Commodity	Expiry	Close	R2	R1	PP	S1	S2
COPPER	31-May-24	894.30	907.60	901.00	894.80	888.20	882.00
COPPER	28-Jun-24	902.25	913.90	908.10	902.30	896.50	890.70
Lme Copper		10384.00	10531.00	10457.50	10379.00	10305.50	10227.00

TECHNICAL SNAPSHOT



SELL ZINC MAY @ 263 SL 266 TGT 260-257. MCX

OBSERVATIONS

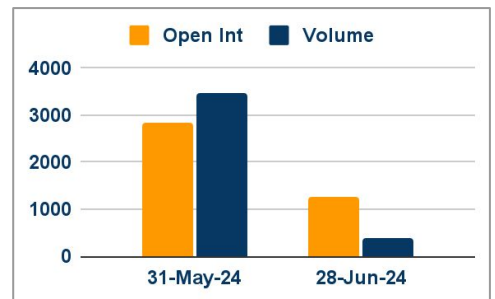
Zinc trading range for the day is 257.9-265.7.

Zinc dropped as China's refined zinc production in May 2024 will increase by 26,800 mt.

The production resumption after maintenance and increase in output at smelters in Gansu, Xinjiang, Liaoning, Hunan, Henan and Sichuan.

Swedish mining giant Boliden to resume production at its Tara zinc mine.

OI & VOLUME



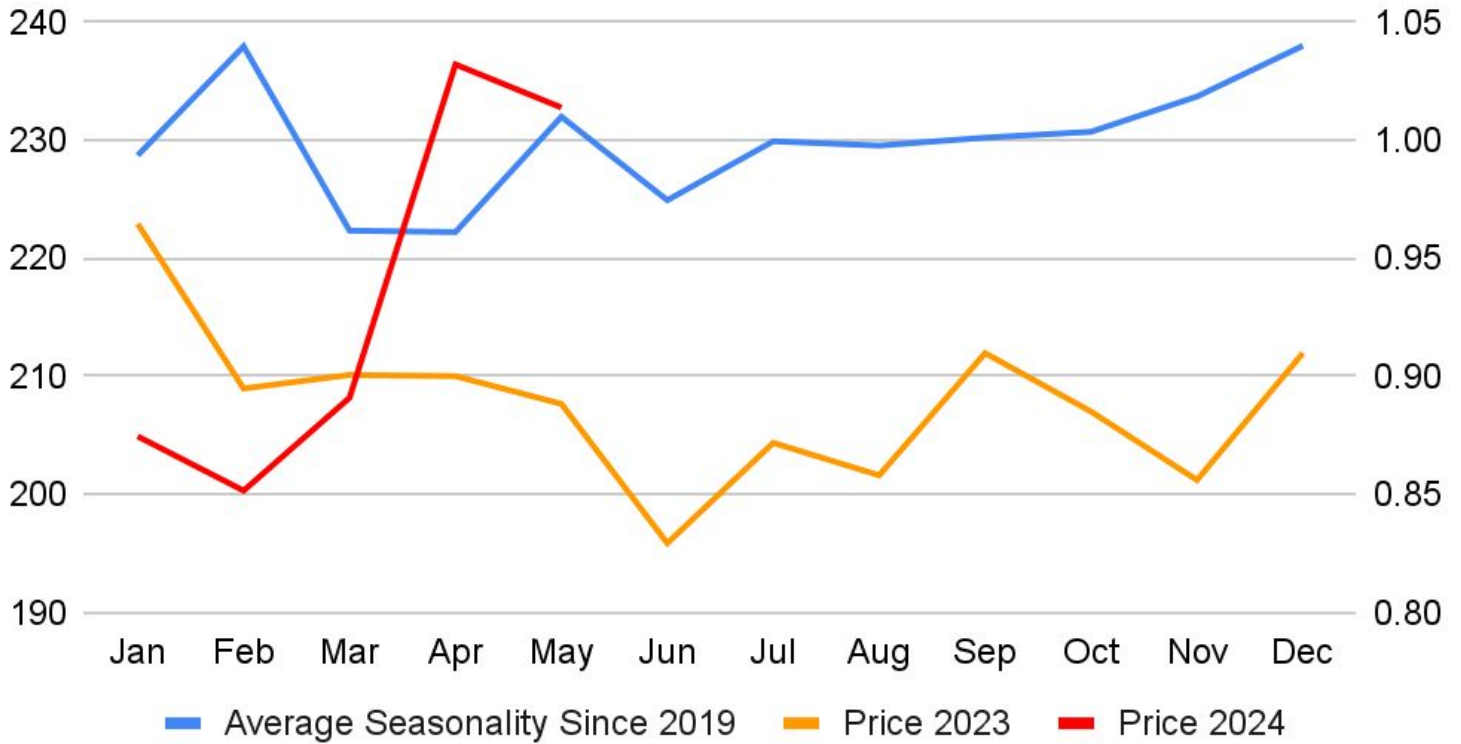
SPREAD

Commodity	Spread
ZINC JUN-MAY	1.05
ZINCMINI JUN-MAY	1.10

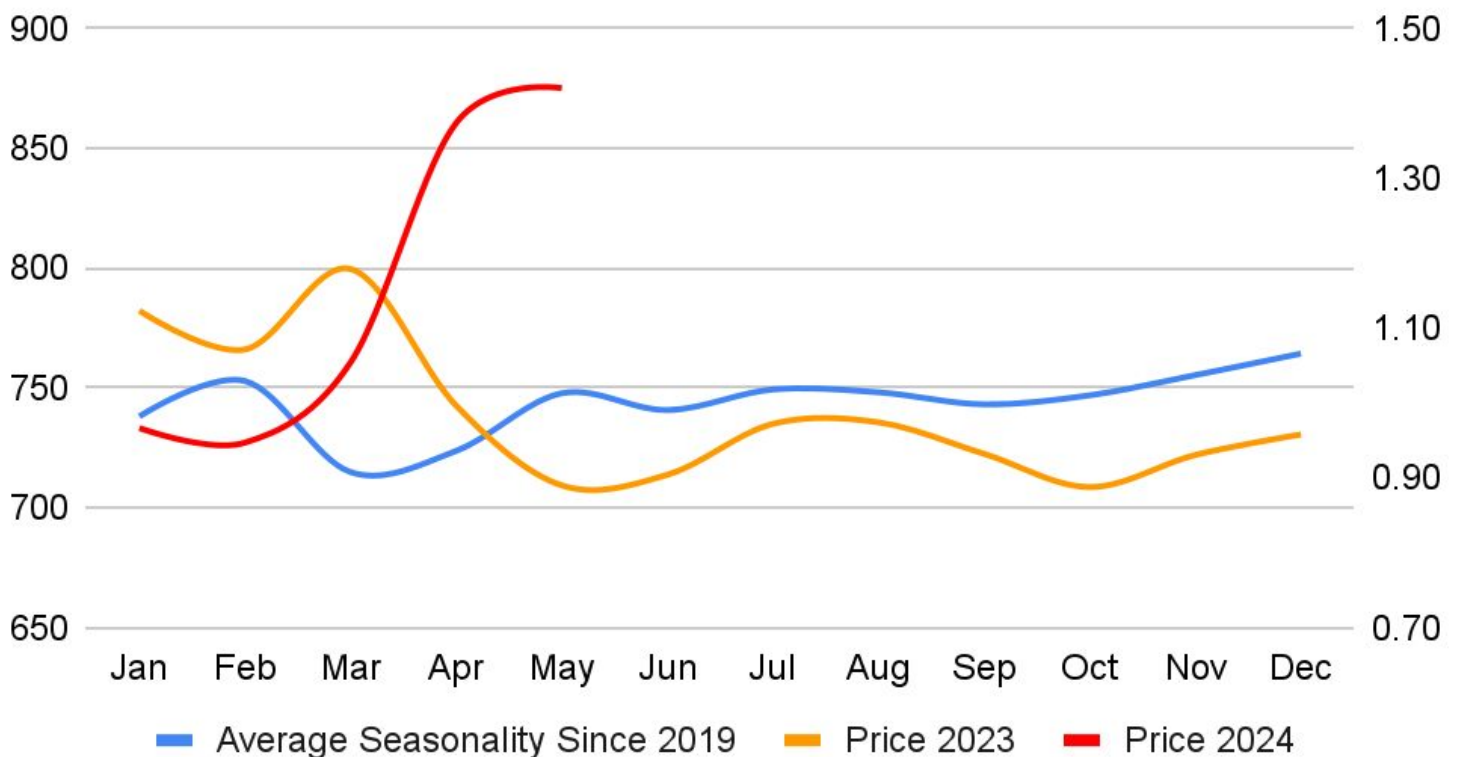
TRADING LEVELS

Commodity	Expiry	Close	R2	R1	PP	S1	S2
ZINC	31-May-24	261.25	265.70	263.50	261.80	259.60	257.90
ZINC	28-Jun-24	262.30	266.90	264.70	263.00	260.80	259.10
ZINCMINI	31-May-24	261.15	265.20	263.20	261.70	259.70	258.20
ZINCMINI	28-Jun-24	262.25	268.10	265.20	263.30	260.40	258.50
Lme Zinc		2965.00	3042.00	3003.50	2974.00	2935.50	2906.00

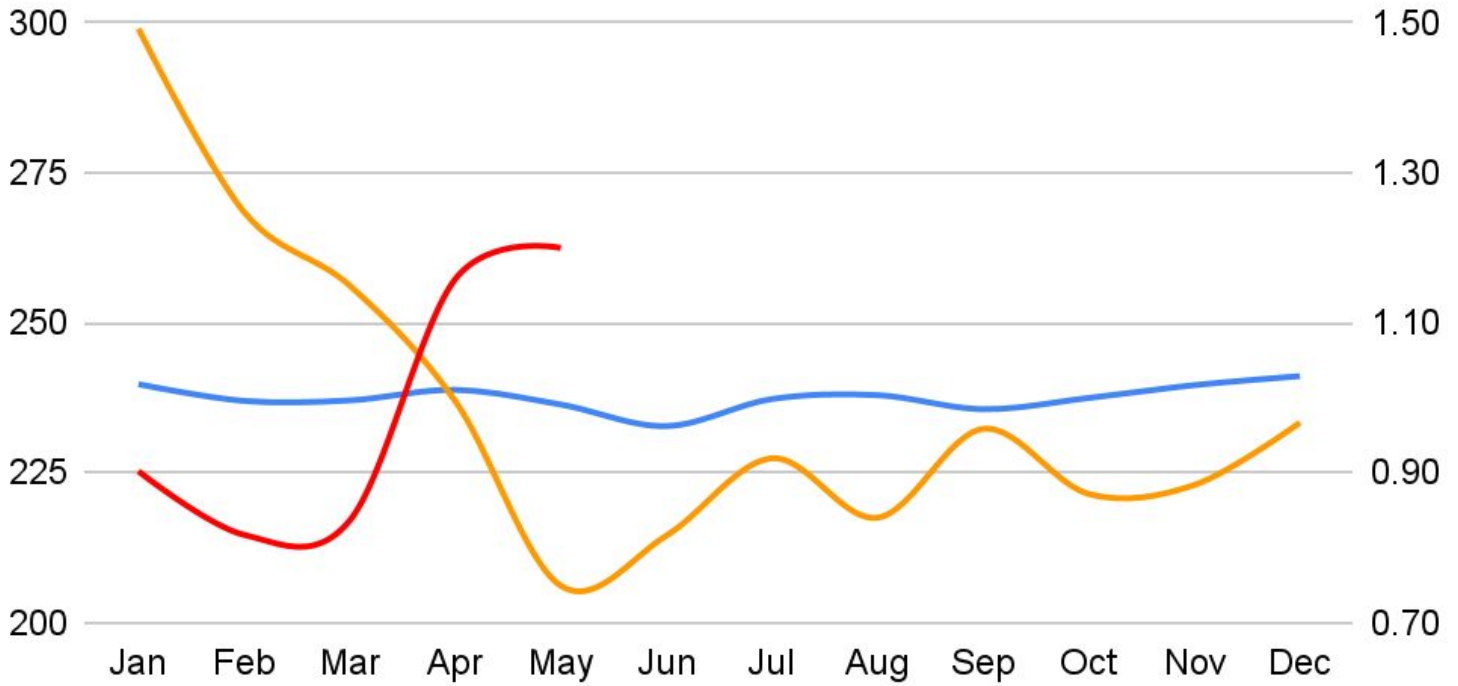
Aluminium Seasonality



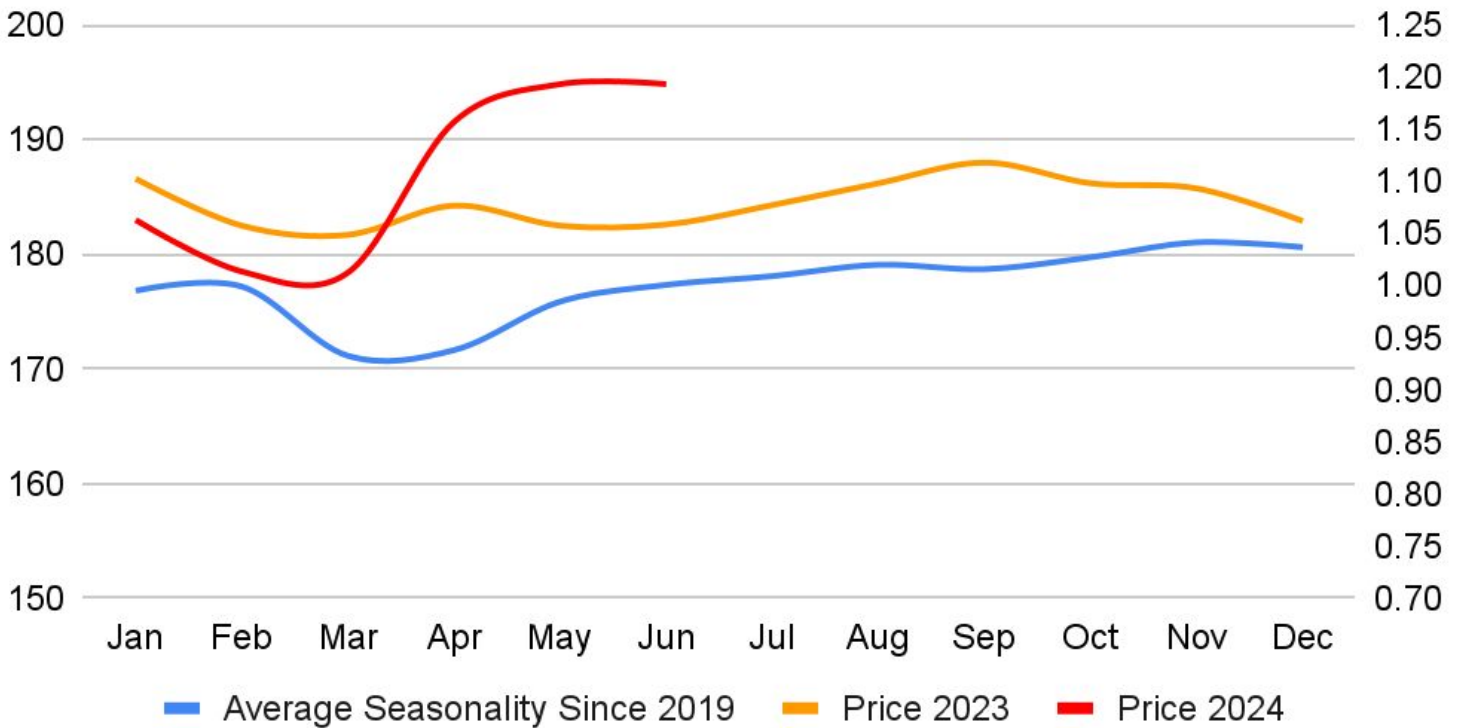
Copper Seasonality



Zinc Seasonality



Lead Seasonality



— Average Seasonality Since 2019 — Price 2023 — Price 2024

Weekly Economic Data

Date	Curr.	Data	Date	Curr.	Data
May 13	EUR	EU Economic Forecasts	May 15	USD	Business Inventories m/m
May 14	EUR	ZEW Economic Sentiment	May 15	USD	NAHB Housing Market Index
May 14	EUR	German ZEW Economic Sentiment	May 15	USD	Crude Oil Inventories
May 14	USD	Core PPI m/m	May 16	EUR	Italian Trade Balance
May 14	USD	PPI m/m	May 16	USD	Unemployment Claims
May 15	EUR	French Final CPI m/m	May 16	USD	Building Permits
May 15	EUR	Flash Employment Change q/q	May 16	USD	Philly Fed Manufacturing Index
May 15	EUR	Flash GDP q/q	May 16	USD	Housing Starts
May 15	EUR	Industrial Production m/m	May 16	USD	Import Prices m/m
May 15	USD	Core CPI m/m	May 16	USD	Industrial Production m/m
May 15	USD	Core Retail Sales m/m	May 16	USD	Capacity Utilization Rate
May 15	USD	CPI m/m	May 16	USD	Natural Gas Storage
May 15	USD	CPI y/y	May 17	EUR	Final Core CPI y/y

News you can Use

Federal Reserve policymakers who say they need to see further progress on inflation before reducing borrowing costs got some encouraging data with a government report showing inflation eased a bit in April. The 3.4% rise in the consumer price index from a year earlier, and the 0.3% increase from March, shows the Fed still has some distance to go before it achieves its 2% target for inflation. But the report broke a three-month streak of hotter-than-expected readings that had sapped Fed policymaker confidence in a narrative of steadily easing price pressures, prompting an increasing number of them to warn that rates would need to stay high for longer. Particularly heartening in Wednesday's report, analysts said, was a slight easing in shelter inflation that policymakers have long expected but had been disappointingly slow to show up in the data. Rent prices rose 0.35% from a month earlier, their slowest pace since 2021, the report showed. Core CPI, which strips out energy and food prices and is seen as a better gauge of underlying price pressures, rose 3.6%, its slowest in three years. A separate report showed retail sales were weaker than expected in April.

Japan's economy contracted in the first quarter, squeezed by weaker private consumption and external demand and throwing a fresh challenge to policymakers as the central bank looks to lift interest rates away from near-zero levels. Preliminary gross domestic product (GDP) data from the Cabinet Office showed Japan's economy shrank 2.0% annualised in January-March from the prior quarter, versus a 1.5% drop seen in a poll of economists. It followed a slightly positive reading in the fourth quarter. Private consumption, which accounts for more than half of the Japanese economy, fell 0.7%, versus a 0.2% decline seen in the Reuters poll. It was the fourth straight quarter of decline, the longest streak since 2009. Capital spending, a key driver of private demand-led growth, fell 0.8% in the first quarter, versus a decline of 0.7% seen by economists in poll, despite hefty corporate earnings. External demand, or exports minus imports, knocked 0.3 of a percentage point off first quarter GDP estimates. Policymakers are counting on rising wages and income tax cuts from June to help spur flagging consumption.

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