



**KEDIA** ADVISORY

# DAILY BASE METALS REPORT

19 Oct 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	701.00	705.10	699.30	700.45	1.35
ZINC	31-Oct-23	219.80	220.60	219.15	219.60	-16.81
ALUMINIUM	31-Oct-23	202.75	203.25	202.20	202.85	-14.05
LEAD	31-Oct-23	186.60	187.40	186.35	186.50	-6.49

## Open Interest Update

Commodity	Expiry	% Change	% Oi Change	Oi Status
COPPER	31-Oct-23	0.19	-14.33	Short Covering
ZINC	31-Oct-23	0.32	-16.81	Short Covering
ALUMINIUM	31-Oct-23	0.37	-14.05	Short Covering
LEAD	31-Oct-23	0.27	-6.49	Short Covering

## International Update

Commodity	Open	High	Low	Close	% Change
Lme Copper	7991.50	8073.50	7969.50	7998.00	0.35
Lme Zinc	2425.50	2463.00	2425.50	2435.00	0.58
Lme Aluminium	2185.00	2200.50	2181.50	2191.50	0.67
Lme Lead	2090.00	2116.00	2089.00	2097.00	0.91
Lme Nickel	18500.00	18450.00	18450.00	18593.00	-0.05

## Ratio Update

Ratio	Price	Ratio	Price
Gold / Silver Ratio	83.56	Crudeoil / Natural Gas Ratio	28.74
Gold / Crudeoil Ratio	8.16	Crudeoil / Copper Ratio	10.51
Gold / Copper Ratio	85.76	Copper / Zinc Ratio	3.19
Silver / Crudeoil Ratio	9.76	Copper / Lead Ratio	3.76
Silver / Copper Ratio	102.64	Copper / Aluminium Ratio	3.45

## TECHNICAL SNAPSHOT



**BUY ALUMINIUM OCT @ 201 SL 199 TGT 204-206. MCX**

### OBSERVATIONS

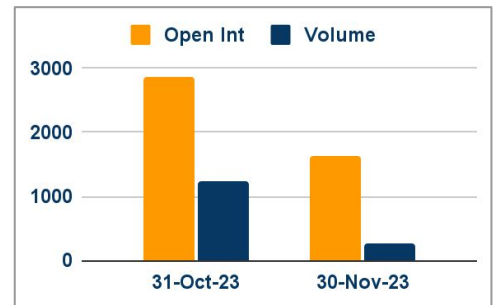
Aluminium trading range for the day is 201.8-203.8.

Aluminium gains as China September aluminium output up amid robust demand

China Q3 GDP growth above estimates

China Retail sales rise the most in 4 months

### OI & VOLUME



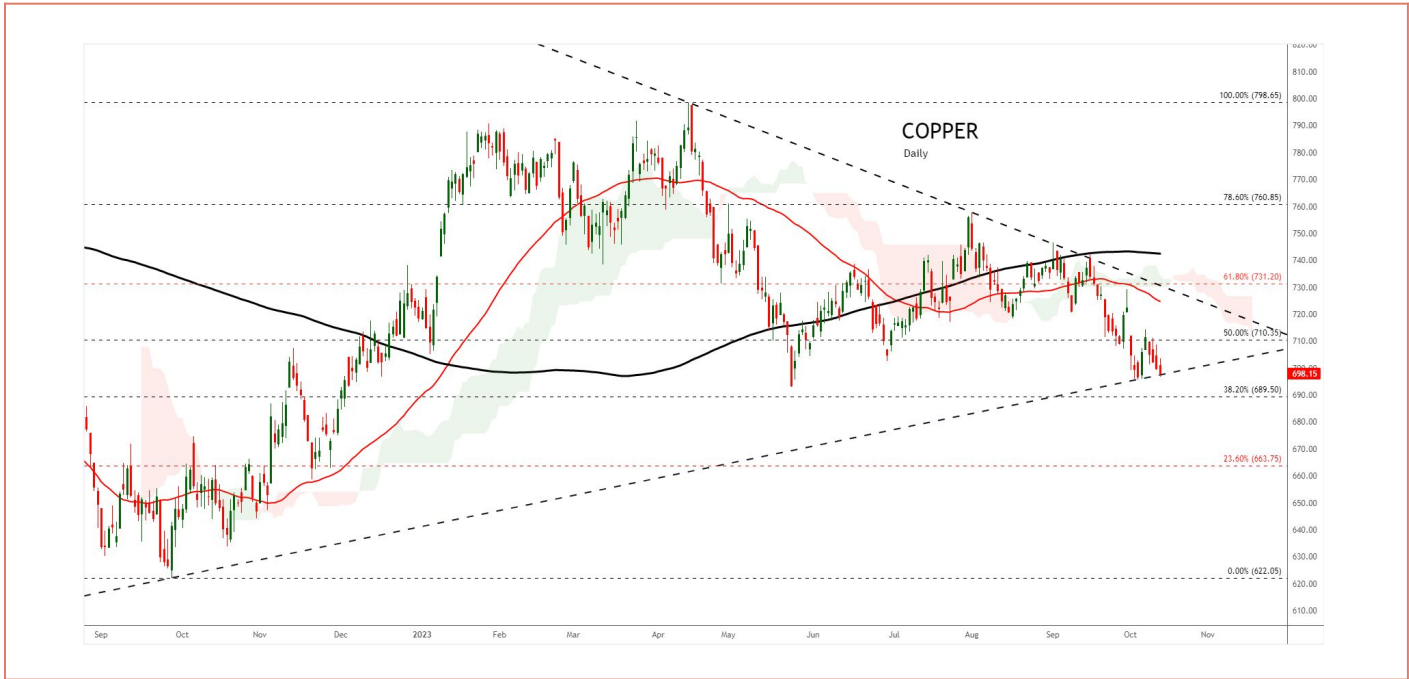
### SPREAD

Commodity	Spread
ALUMINIUM NOV-OCT	1.60
ALUMINI NOV-OCT	0.30

### TRADING LEVELS

Commodity	Expiry	Close	R2	R1	PP	S1	S2
ALUMINIUM	31-Oct-23	202.85	203.80	203.40	202.80	202.40	201.80
ALUMINIUM	30-Nov-23	204.45	205.60	205.10	204.50	204.00	203.40
ALUMINI	31-Oct-23	204.75	207.30	206.00	204.50	203.20	201.70
ALUMINI	30-Nov-23	205.05	206.10	205.60	205.00	204.50	203.90
Lme Aluminium		2191.50	2210.00	2200.50	2191.00	2181.50	2172.00

**TECHNICAL SNAPSHOT**



**BUY COPPER OCT @ 697 SL 693 TGT 703-708. MCX**

**OBSERVATIONS**

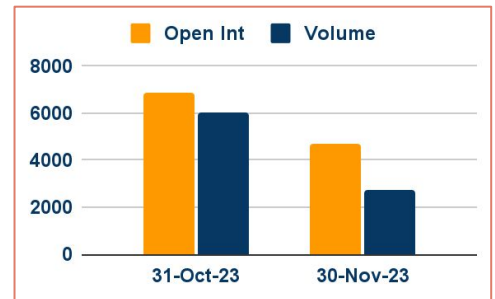
Copper trading range for the day is 695.8-707.4.

Copper gained with bright demand outlook and concerns about longer-term supply supporting the market.

Demand for copper has been robust, supported by strong consumption from the renewable energy and infrastructure sectors.

China Q3 GDP growth above estimates

**OI & VOLUME**



**SPREAD**

Commodity	Spread
COPPER NOV-OCT	4.20

**TRADING LEVELS**

Commodity	Expiry	Close	R2	R1	PP	S1	S2
COPPER	31-Oct-23	700.45	707.40	703.90	701.60	698.10	695.80
COPPER	30-Nov-23	704.65	711.90	708.30	705.80	702.20	699.70
Lme Copper		7998.00	8118.00	8058.50	8014.00	7954.50	7910.00

TECHNICAL SNAPSHOT



**BUY ZINC OCT @ 218 SL 215 TGT 222-224. MCX**

OBSERVATIONS

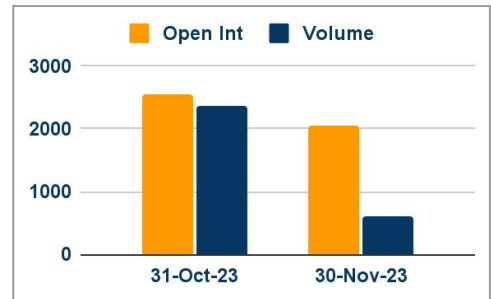
Zinc trading range for the day is 218.3-221.3.

Zinc gains after better-than-expected economic data from China

The global refined zinc market is headed for a surplus of 248,000 metric tons this year

The zinc market's shift to surplus after two years of supply deficit is down to weaker-than-expected demand and higher-than-expected production.

OI & VOLUME

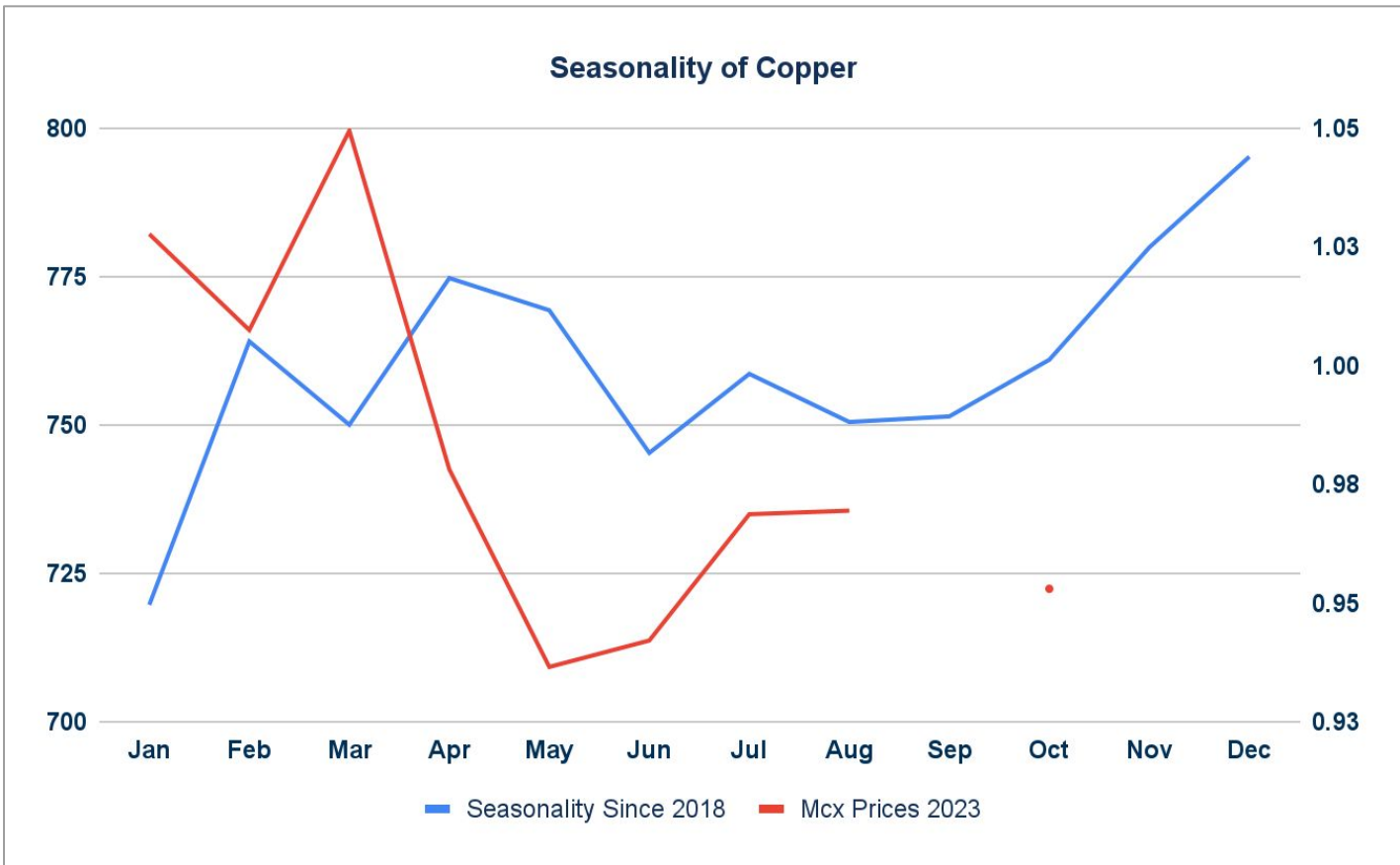
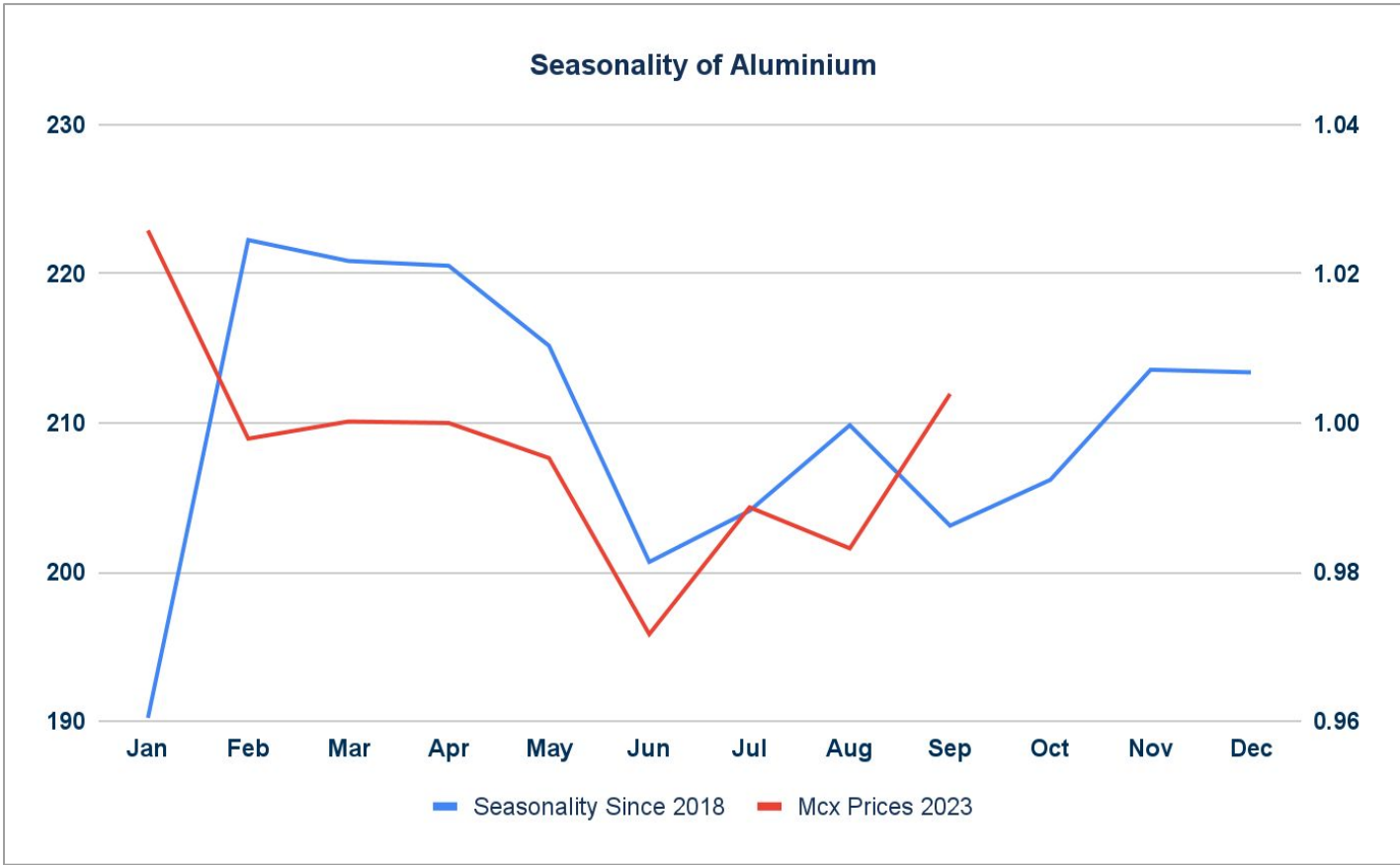


SPREAD

Commodity	Spread
ZINC NOV-OCT	1.60
ZINCMINI NOV-OCT	1.35

TRADING LEVELS

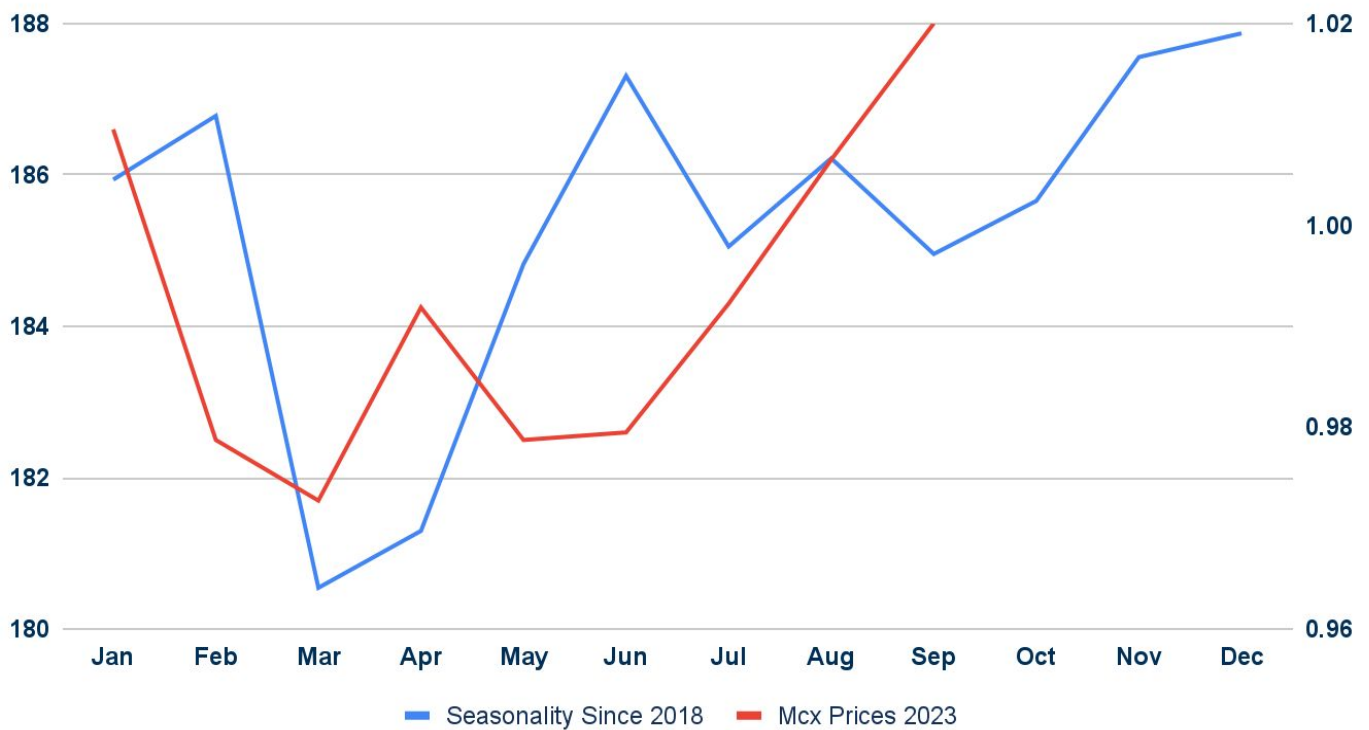
Commodity	Expiry	Close	R2	R1	PP	S1	S2
ZINC	31-Oct-23	219.60	221.30	220.50	219.80	219.00	218.30
ZINC	30-Nov-23	221.20	222.50	221.90	221.30	220.70	220.10
ZINCMINI	31-Oct-23	219.75	221.20	220.50	219.80	219.10	218.40
ZINCMINI	30-Nov-23	221.10	222.30	221.70	221.20	220.60	220.10
Lme Zinc		2435.00	2478.50	2456.50	2441.00	2419.00	2403.50



### Seasonality of Zinc



### Seasonality of Lead



## Weekly Economic Data

Date	Curr.	Data
Oct 16	EUR	Trade Balance
Oct 16	USD	Empire State Manufacturing Index
Oct 16	USD	FOMC Member Harker Speaks
Oct 17	USD	FOMC Member Harker Speaks
Oct 17	EUR	German ZEW Economic Sentiment
Oct 17	EUR	ZEW Economic Sentiment
Oct 17	USD	FOMC Member Williams Speaks
Oct 17	USD	Core Retail Sales m/m
Oct 17	USD	Retail Sales m/m
Oct 17	USD	Industrial Production m/m
Oct 17	USD	Capacity Utilization Rate
Oct 17	USD	Business Inventories m/m
Oct 17	USD	NAHB Housing Market Index

Date	Curr.	Data
Oct 18	EUR	Final Core CPI y/y
Oct 18	EUR	Final CPI y/y
Oct 18	USD	Building Permits
Oct 18	USD	Housing Starts
Oct 18	USD	Crude Oil Inventories
Oct 19	USD	FOMC Member Harker Speaks
Oct 19	EUR	Current Account
Oct 19	USD	Unemployment Claims
Oct 19	USD	Philly Fed Manufacturing Index
Oct 19	USD	Existing Home Sales
Oct 19	USD	CB Leading Index m/m
Oct 19	USD	Natural Gas Storage
Oct 19	USD	Fed Chair Powell Speaks

## News you can Use

Divided European Central Bank policymakers opted for raising interest rates at their latest meeting to show resolve in the fight against inflation even though evidence was inconclusive, the account of the gathering showed. The ECB raised its key interest rate to a record high of 4.0% at the Sept 13-14 meeting but signalled that its 10th hike in a 14-month-long effort to bring down inflation was likely to be the last as the economy slowed. The ECB's account of the meeting showed the decision was a "close call" given "considerable uncertainty", with some indicators suggesting a 3.75% deposit rate might have also done the job. But in the end the proposal to raise interest rates by 25 basis point was supported by "a solid majority" of the 26 members of the Governing Council. "Erring on the side of pausing the first time the decision was a close call could risk being interpreted as a weakening of the ECB's determination, especially at a time when headline and core inflation were above 5%," the ECB said. Policymakers noted that "model-based simulations, expert surveys and market pricing" suggested a deposit facility rate in the region of 3.75% to 4.00% would bring inflation back to 2% "as long as it was understood as being maintained for a sufficiently long duration".

Construction output in the UK expanded by 2.3% year-on-year in August 2023, the smallest increase since May, following an upwardly revised 3.2% gain in the previous month and fell short of market expectations, which were at 2.6%. Compared to the previous month, construction output fell by 0.5% in August, after an upwardly revised 0.4% drop in July. Industrial production in the UK shrank 0.7% month-on-month in August 2023, slowing from a one-year low of 1.1% drop in July but coming more than market estimates of a 0.2% fall. Output decreased for three of the four industry groups namely, manufacturing (-0.8% vs -1.2% in July), electricity, gas, steam & air conditioning (-1.8% vs -0.5%), and water supply (-1.6% vs -1.4%). On the other hand, production accelerated for mining & quarrying (2.9%), after stalling in the previous month. Year-on-year, industrial activity rose 1.3%, up from a prior 1% rise and marking the third consecutive month of growth after a year-and-a-half long of successive contractions.



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