



**KEDIA** ADVISORY

# DAILY BASE METALS REPORT

21 Mar 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	28-Mar-24	757.15	757.95	750.85	753.60	-2.80
ZINC	28-Mar-24	218.45	219.45	217.70	218.70	-13.54
ALUMINIUM	28-Mar-24	204.40	204.50	203.50	204.05	-21.76
LEAD	28-Mar-24	178.30	178.65	177.30	177.55	-7.23

## Open Interest Update

Commodity	Expiry	% Change	% Oi Change	Oi Status
COPPER	28-Mar-24	-0.37	-28.46	Long Liquidation
ZINC	28-Mar-24	0.34	-13.54	Short Covering
ALUMINIUM	28-Mar-24	0.10	-21.76	Short Covering
LEAD	28-Mar-24	-0.48	-7.23	Long Liquidation

## International Update

Commodity	Open	High	Low	Close	% Change
Lme Copper	8965.00	9016.50	8892.50	8998.00	0.24
Lme Zinc	2504.00	2528.00	2496.50	2524.00	0.74
Lme Aluminium	2268.00	2289.50	2267.50	2287.50	0.82
Lme Lead	2098.00	2106.00	2064.50	2073.00	-0.96
Lme Nickel	17650.00	17695.00	17650.00	17395.00	-2.67

## Ratio Update

Ratio	Price	Ratio	Price
Gold / Silver Ratio	87.30	Crudeoil / Natural Gas Ratio	47.55
Gold / Crudeoil Ratio	9.74	Crudeoil / Copper Ratio	8.95
Gold / Copper Ratio	87.25	Copper / Zinc Ratio	3.45
Silver / Crudeoil Ratio	11.16	Copper / Lead Ratio	4.24
Silver / Copper Ratio	99.94	Copper / Aluminium Ratio	3.69

## TECHNICAL SNAPSHOT



**BUY ALUMINIUM MAR @ 203 SL 201 TGT 205-206. MCX**

### OBSERVATIONS

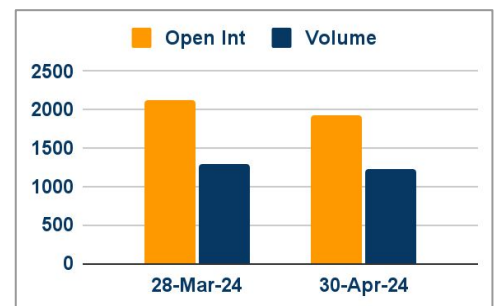
Aluminium trading range for the day is 203-205.

Aluminium gains as aluminum ingot inventory rose at a slower pace.

Global aluminium output rises 3.9% year on year in February – IAI

Aluminum smelters in China's Yunnan province resumed smelting due to improved power supply policies

### OI & VOLUME



### SPREAD

Commodity	Spread
ALUMINIUM APR-MAR	2.40
ALUMINI APR-MAR	2.70

### TRADING LEVELS

Commodity	Expiry	Close	R2	R1	PP	S1	S2
ALUMINIUM	28-Mar-24	204.05	205.00	204.50	204.00	203.50	203.00
ALUMINIUM	30-Apr-24	206.45	207.70	207.20	206.50	206.00	205.30
ALUMINI	28-Mar-24	204.00	205.00	204.60	204.10	203.70	203.20
ALUMINI	30-Apr-24	206.70	207.70	207.20	206.60	206.10	205.50
Lme Aluminium		2287.50	2304.00	2296.50	2282.00	2274.50	2260.00

**TECHNICAL SNAPSHOT**



**BUY COPPER MAR @ 750 SL 747 TGT 755-760. MCX**

**OBSERVATIONS**

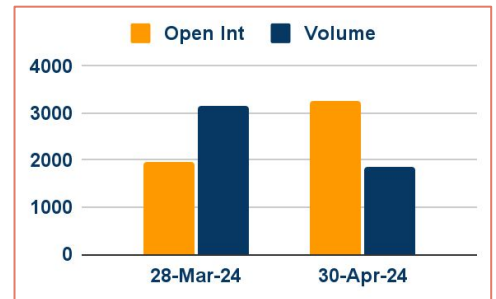
Copper trading range for the day is 747-761.2.

Copper dropped amid looming concerns over the strength of the Chinese economy

Chinese deliverable copper inventories on the week ending March 15th, magnifying seasonal restocking

China's refined copper production in January and February rose 10.7% from the prior year

**OI & VOLUME**



**SPREAD**

Commodity	Spread
COPPER APR-MAR	6.60

**TRADING LEVELS**

Commodity	Expiry	Close	R2	R1	PP	S1	S2
COPPER	28-Mar-24	753.60	761.20	757.40	754.10	750.30	747.00
COPPER	30-Apr-24	760.20	767.30	763.80	760.50	757.00	753.70
Lme Copper		8998.00	9093.00	9045.50	8969.00	8921.50	8845.00

TECHNICAL SNAPSHOT



**BUY ZINC MAR @ 217 SL 215 TGT 220-222. MCX**

OBSERVATIONS

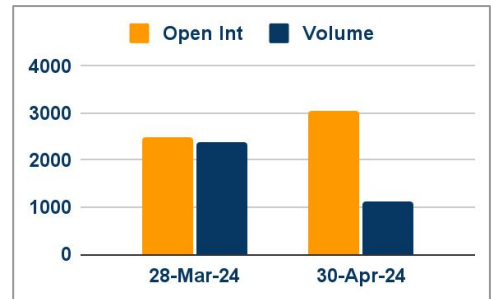
Zinc trading range for the day is 216.9-220.3.

Zinc gains as Glencore backed Peru miner Volcan halts three mines over permits

Global zinc market swings to surplus in January, ILZSG says

PBOC kept lending rates unchanged at the March fixing, as widely expected.

OI & VOLUME



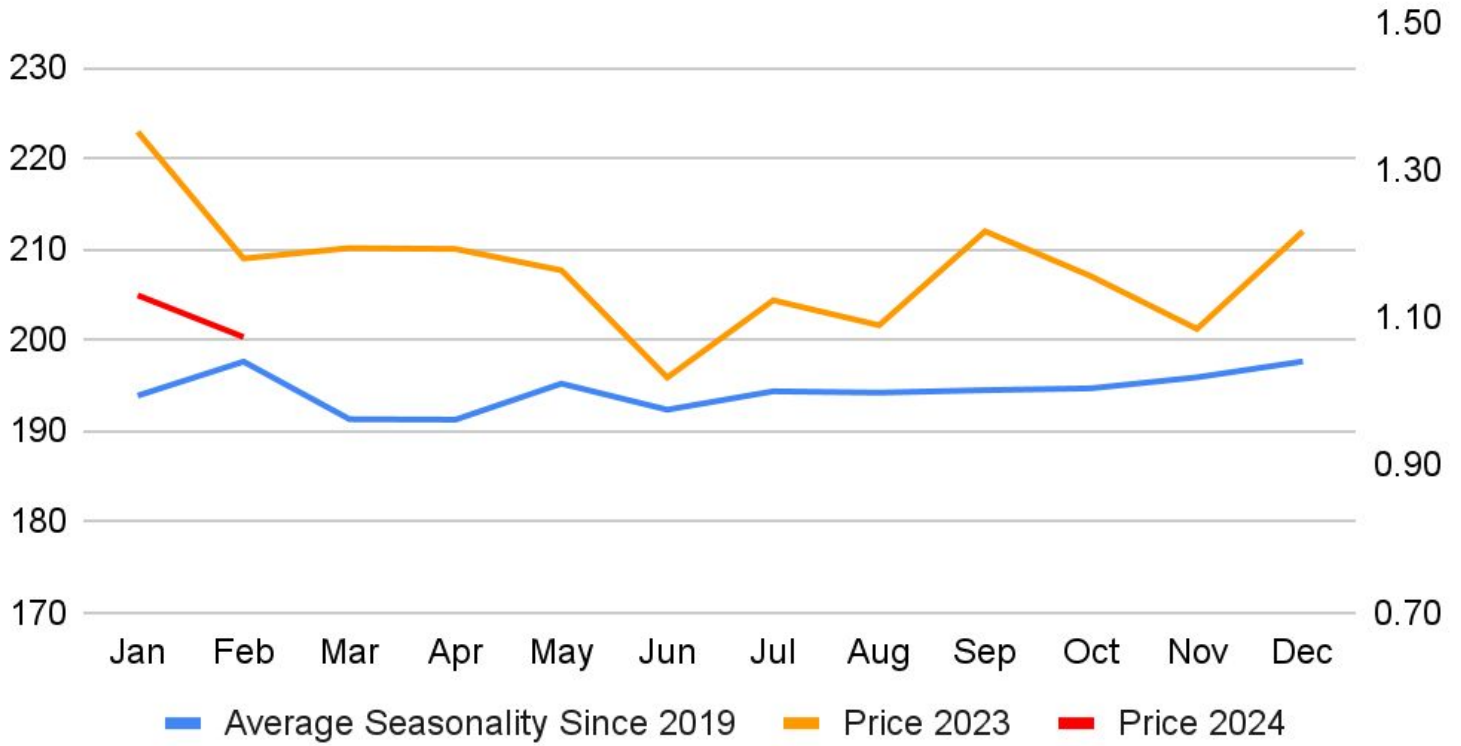
SPREAD

Commodity	Spread
ZINC APR-MAR	2.70
ZINCMINI APR-MAR	2.65

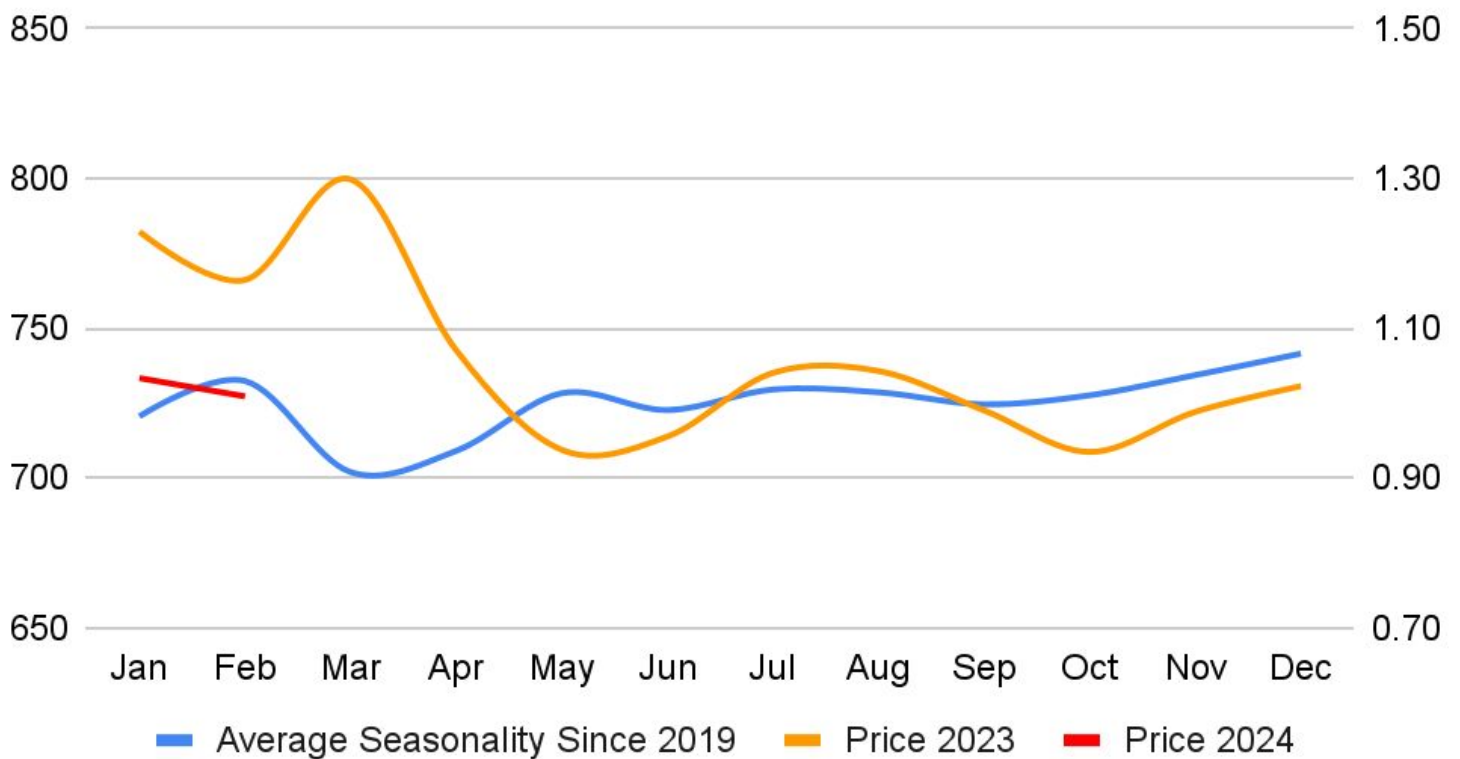
TRADING LEVELS

Commodity	Expiry	Close	R2	R1	PP	S1	S2
ZINC	28-Mar-24	218.70	220.30	219.50	218.60	217.80	216.90
ZINC	30-Apr-24	221.40	222.80	222.20	221.20	220.60	219.60
ZINCMINI	28-Mar-24	218.75	220.30	219.60	218.70	218.00	217.10
ZINCMINI	30-Apr-24	221.40	222.90	222.20	221.30	220.60	219.70
Lme Zinc		2524.00	2547.50	2535.50	2516.00	2504.00	2484.50

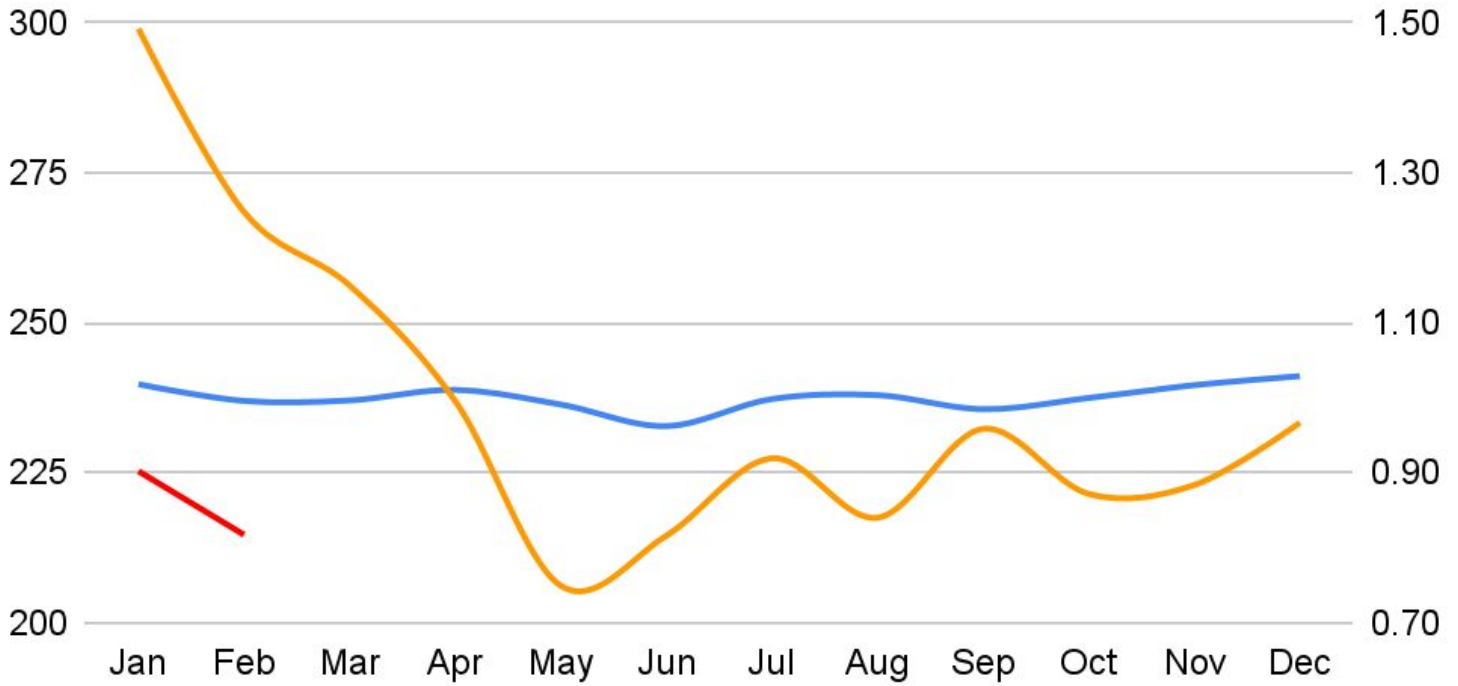
### Aluminium Seasonality



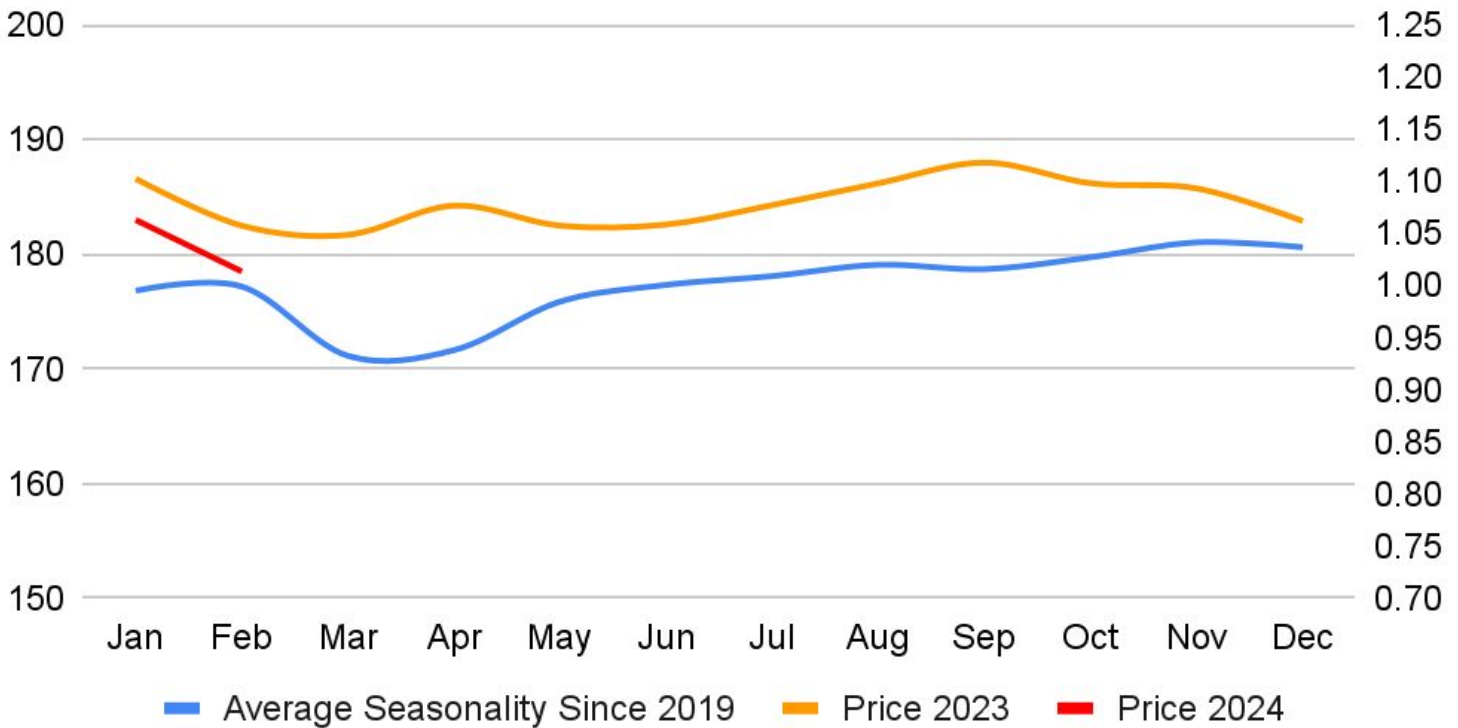
### Copper Seasonality



### Zinc Seasonality



### Lead Seasonality



— Average Seasonality Since 2019 — Price 2023 — Price 2024

## Weekly Economic Data

Date	Curr.	Data	Date	Curr.	Data
Mar 18	EUR	Final Core CPI y/y	Mar 21	EUR	German Flash Manufacturing PMI
Mar 18	EUR	Final CPI y/y	Mar 21	EUR	German Flash Services PMI
Mar 18	EUR	Trade Balance	Mar 21	EUR	Flash Manufacturing PMI
Mar 18	USD	NAHB Housing Market Index	Mar 21	EUR	Flash Services PMI
Mar 19	EUR	German ZEW Economic Sentiment	Mar 21	EUR	Current Account
Mar 19	EUR	ZEW Economic Sentiment	Mar 21	USD	Unemployment Claims
Mar 19	USD	Building Permits	Mar 21	USD	Philly Fed Manufacturing Index
Mar 19	USD	Housing Starts	Mar 21	USD	Current Account
Mar 20	EUR	German PPI m/m	Mar 21	USD	Flash Manufacturing PMI
Mar 20	EUR	Italian Industrial Production m/m	Mar 21	USD	Flash Services PMI
Mar 20	USD	Crude Oil Inventories	Mar 21	USD	Existing Home Sales
Mar 20	EUR	Consumer Confidence	Mar 21	USD	Natural Gas Storage
Mar 20	USD	Federal Funds Rate	Mar 22	EUR	German Import Prices m/m

## News you can Use

European Central Bank policymaker Martins Kazaks said he was "comfortable" with investor bets on three interest rate cuts by the central bank by the end of the year. Many ECB policymakers have expressed support for a first reduction in borrowing costs from their current record highs, most likely in June, with the debate now focused on how many more cuts would follow. Money markets are pencilling in three cuts by December with some chance of a fourth, which would lower the 4% rate the ECB pays on bank deposits to 3.25% or 3.0%. Kazaks, who in the past resisted speculation about imminent rate reduction, told Reuters this time market pricing was in line with the ECB's own economic projections, which see inflation closing in on its 2% target by end of the year. "If I take a look at the current market pricing, for the last month or so, I'm quite comfortable with that," the Latvian governor said. Kazaks, however, cautioned his words should not be taken as a commitment, or "forward guidance" in central bank parlance. "I will not provide forward guidance saying there will be three cuts because we'll take a look at each meeting," he said.

The People's Bank of China kept lending rates unchanged at the March fixing, as widely expected. The one-year loan prime rate (LPR), the benchmark for most corporate and household loans, was retained at 3.45%. Meanwhile, the five-year rate, a reference for property mortgages, was maintained at 3.95% following the biggest-ever reduction of 25bps in February. Both rates are at record lows, as the central bank seeks to spur an economic turnaround in the face of headwinds from the property sector and a near-record low in consumer confidence. Wednesday's move came after monetary authorities left medium-term lending rates last week, and drained cash from the banking system for the first time since November 2022 due to worries that too much cash within the system might not flow into the real economy. Recently, the PBoC signaled there was room for further cuts of banks' RRR. It also viewed that China has ample monetary policy tools and will use them to stabilize consumer prices.



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## KEDIA ADVISORY

### **KEDIA STOCKS & COMMODITIES RESEARCH PVT LTD**

Mumbai, India

SEBI REGISTRATION NUMBER - INH000006156

For more details, please contact: +91 93234 06035 / 96195 51022

Email: [info@kediaadvisory.com](mailto:info@kediaadvisory.com)

Regd.Off.: 1, 2, 3 & 4, 1st Floor, Tulip Bldg, Flower Valley Complex, Khadakpada Circle,  
Kalyan-(W), Mumbai-421301

