



**KEDIA** ADVISORY

# DAILY BASE METALS REPORT

30 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	28-Jun-24	908.15	914.35	897.90	903.55	-3.90
ZINC	28-Jun-24	278.65	279.50	274.70	275.75	-5.45
ALUMINIUM	28-Jun-24	247.85	250.90	246.70	250.10	12.12
LEAD	28-Jun-24	195.90	196.80	194.00	194.65	-3.12

## Open Interest Update

Commodity	Expiry	% Change	% Oi Change	Oi Status
COPPER	28-Jun-24	-0.43	4.21	Fresh Selling
ZINC	28-Jun-24	-0.33	-5.45	Long Liquidation
ALUMINIUM	28-Jun-24	1.40	12.12	Fresh Buying
LEAD	28-Jun-24	-0.41	-3.12	Long Liquidation

## International Update

Commodity	Open	High	Low	Close	% Change
Lme Copper	10564.00	10615.00	10398.50	10480.00	-0.20
Lme Zinc	3124.00	3154.00	3101.00	3114.00	0.45
Lme Aluminium	2741.50	2800.50	2727.00	2796.00	2.44
Lme Lead	2342.50	2359.50	2307.00	2322.00	-0.92
Lme Nickel	20400.00	20345.00	20350.00	20467.00	1.07

## Ratio Update

Ratio	Price	Ratio	Price
Gold / Silver Ratio	75.07	Crudeoil / Natural Gas Ratio	29.69
Gold / Crudeoil Ratio	10.90	Crudeoil / Copper Ratio	7.33
Gold / Copper Ratio	79.90	Copper / Zinc Ratio	3.28
Silver / Crudeoil Ratio	14.52	Copper / Lead Ratio	4.64
Silver / Copper Ratio	106.43	Copper / Aluminium Ratio	3.61

## TECHNICAL SNAPSHOT



**SELL ALUMINIUM JUN @ 252 SL 255 TGT 249-246. MCX**

### OBSERVATIONS

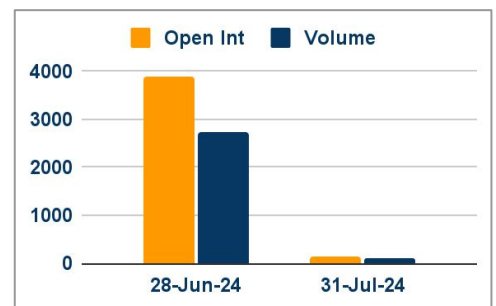
Aluminium trading range for the day is 245-253.4.

Aluminium prices rose on supply tightness and surging buying interest from funds switching from copper.

A continued inflow of "wider money" into metals, providing further support for aluminium.

Shortages of alumina, emerged recently because of lower output from China and disruption to Rio Tinto's Australian exports.

### OI & VOLUME



### SPREAD

Commodity	Spread
ALUMINIUM JUL-JUN	0.30
ALUMINI JUN-MAY	0.90

### TRADING LEVELS

Commodity	Expiry	Close	R2	R1	PP	S1	S2
ALUMINIUM	28-Jun-24	250.10	253.40	251.70	249.20	247.50	245.00
ALUMINIUM	31-Jul-24	250.40	253.70	252.00	249.70	248.00	245.70
ALUMINI	31-May-24	249.40	251.40	250.40	249.00	248.00	246.60
ALUMINI	28-Jun-24	250.30	253.50	251.90	249.60	248.00	245.70
Lme Aluminium		2796.00	2848.50	2823.00	2775.00	2749.50	2701.50



**TECHNICAL SNAPSHOT**



**SELL COPPER JUN @ 906 SL 910 TGT 900-896. MCX**

**OBSERVATIONS**

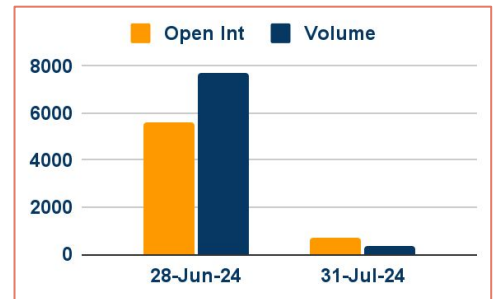
Copper trading range for the day is 888.9-921.7.

Copper dropped amid higher inventories in China amid strong output and soft physical demand.

UBS expects copper prices to reach \$11,500/mt by year-end, \$12,000/mt or above by mid-2025

Latest supply-demand estimates point to a roughly 390,000 metric tons (mt) copper deficit for both this year and 2025 - UBS.

**OI & VOLUME**



**SPREAD**

Commodity	Spread
COPPER JUL-JUN	5.80

**TRADING LEVELS**

Commodity	Expiry	Close	R2	R1	PP	S1	S2
COPPER	28-Jun-24	903.55	921.70	912.70	905.30	896.30	888.90
COPPER	31-Jul-24	909.35	926.70	918.10	911.20	902.60	895.70
Lme Copper		10480.00	10714.50	10597.50	10498.00	10381.00	10281.50

TECHNICAL SNAPSHOT



**SELL ZINC JUN @ 277 SL 280 TGT 274-272. MCX**

OBSERVATIONS

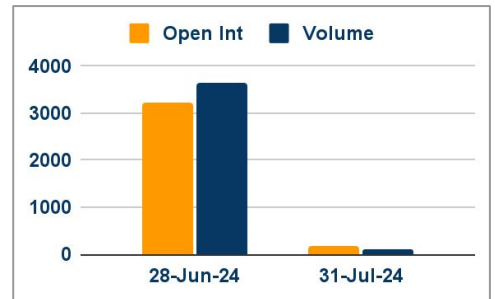
Zinc trading range for the day is 271.9-281.5.

Zinc prices dropped on profit booking after prices rose as traders continue to assess the demand outlook.

The global zinc market surplus fell to 52,300 metric tons in March from 66,800 tons in February – ILZSG.

China's refined zinc output was 504,600 mt, a month-on-month decrease of 20,900 mt or 3.99%.

OI & VOLUME

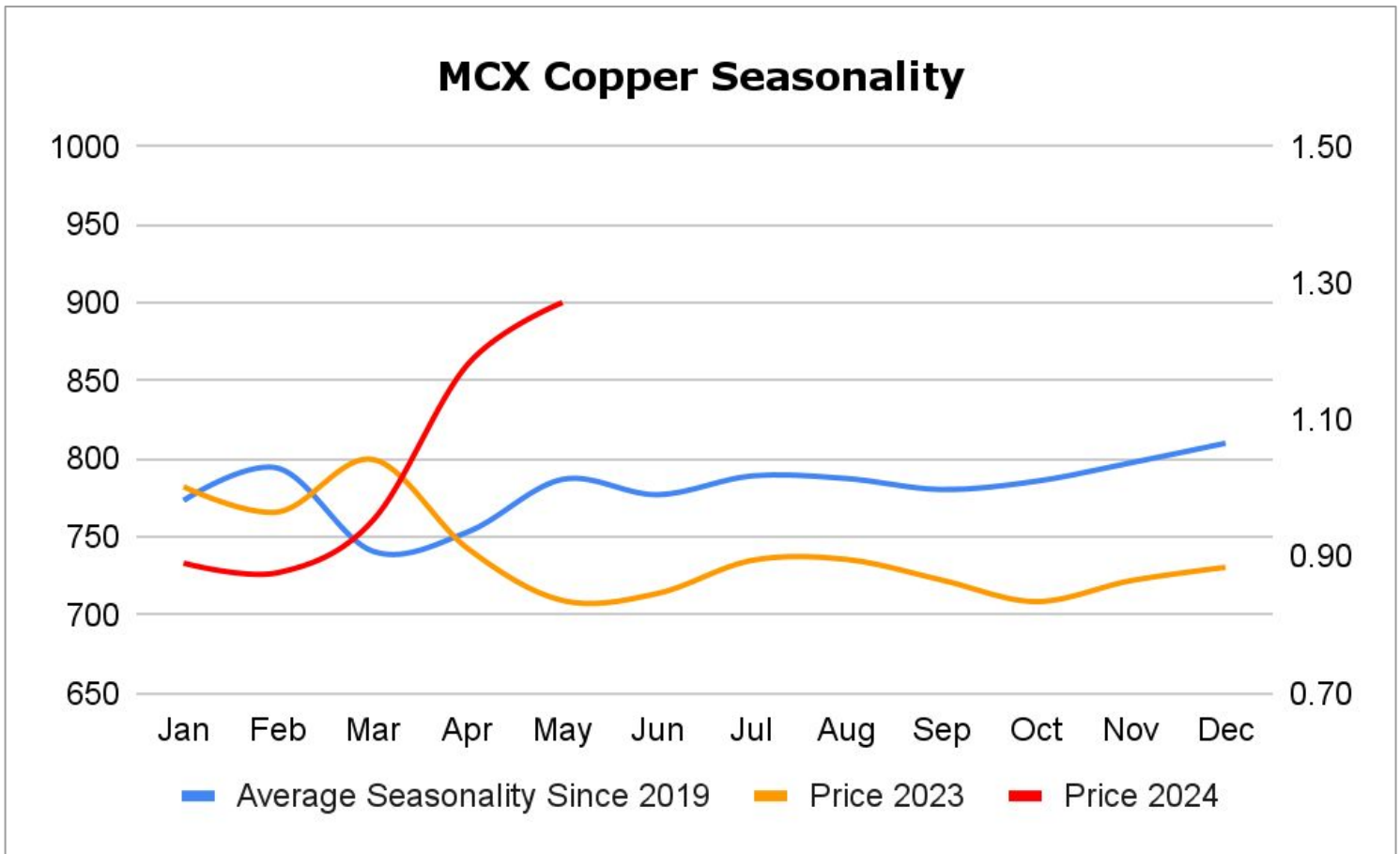
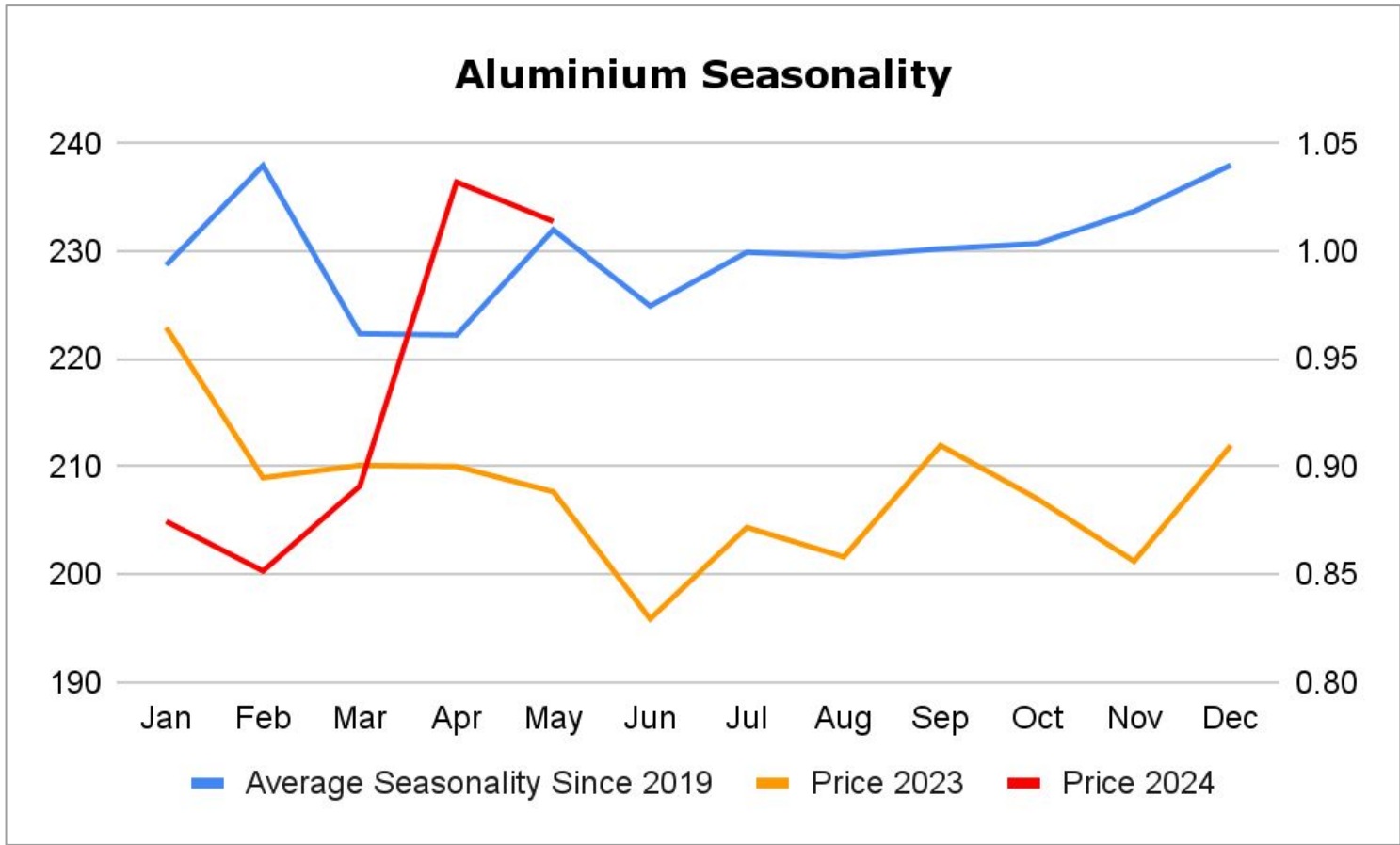


SPREAD

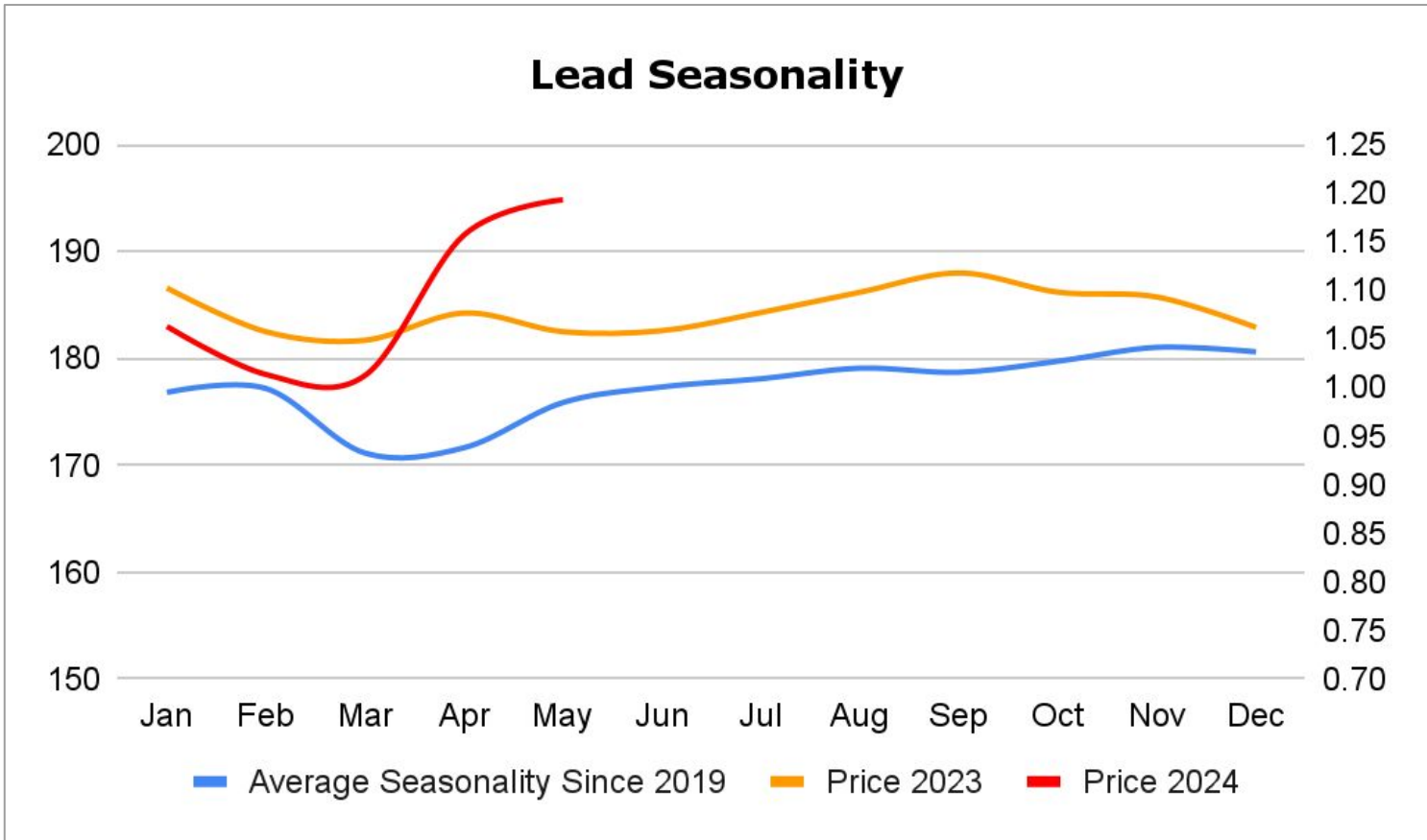
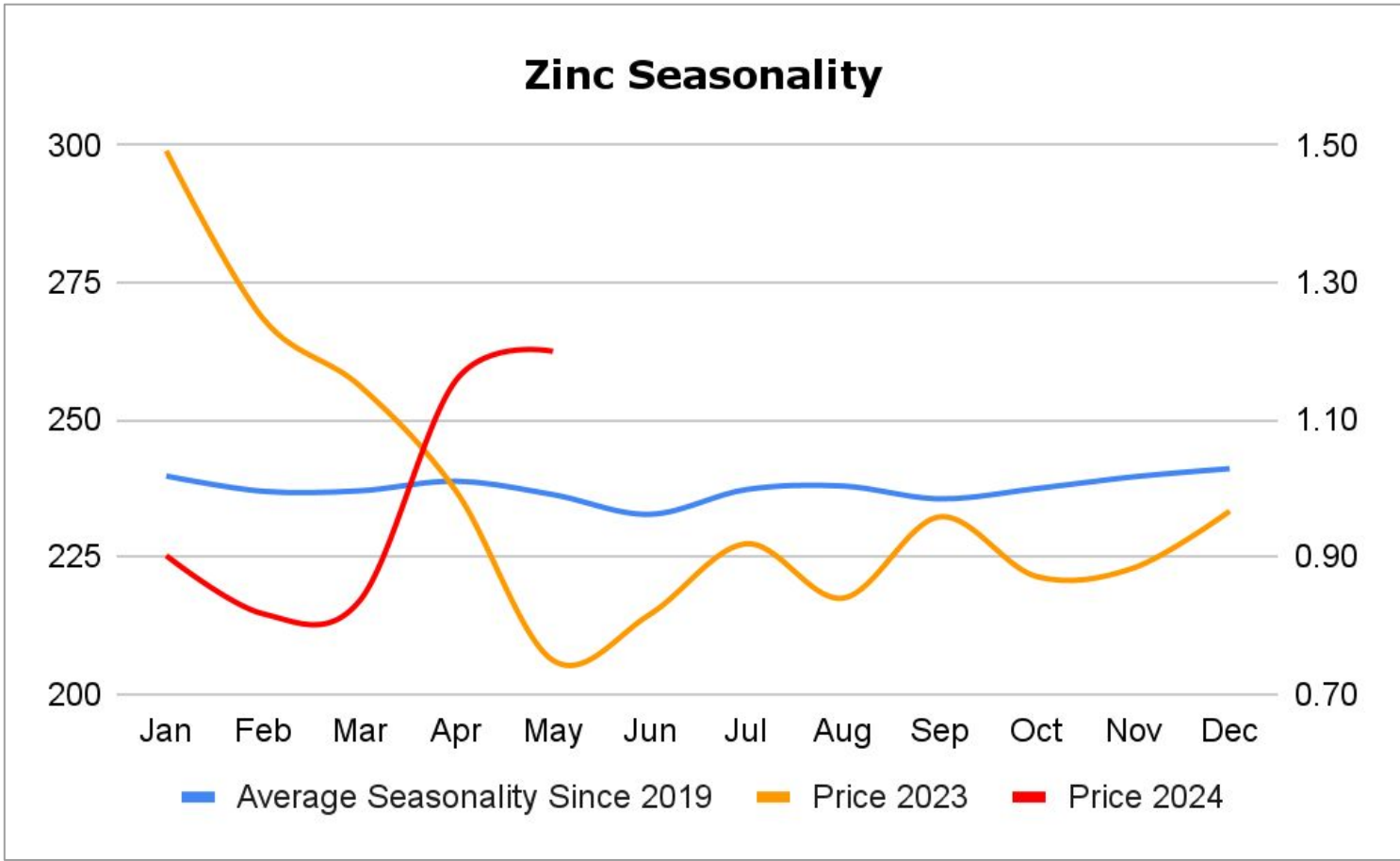
Commodity	Spread
ZINC JUL-JUN	0.40
ZINCMINI JUN-MAY	-1.10

TRADING LEVELS

Commodity	Expiry	Close	R2	R1	PP	S1	S2
ZINC	28-Jun-24	275.75	281.50	278.70	276.70	273.90	271.90
ZINC	31-Jul-24	276.15	281.70	278.90	277.30	274.50	272.90
ZINCMINI	31-May-24	276.70	282.50	279.60	277.90	275.00	273.30
ZINCMINI	28-Jun-24	275.60	281.10	278.40	276.50	273.80	271.90
Lme Zinc		3114.00	3176.00	3145.00	3123.00	3092.00	3070.00







## Weekly Economic Data

Date	Curr.	Data	Date	Curr.	Data
May 27	EUR	German ifo Business Climate	May 30	USD	Goods Trade Balance
May 27	EUR	Belgian NBB Business Climate	May 30	USD	Prelim Wholesale Inventories m/m
May 28	EUR	German WPI m/m	May 30	USD	Pending Home Sales m/m
May 28	USD	S&P/CS Composite-20 HPI y/y	May 30	USD	Natural Gas Storage
May 28	USD	CB Consumer Confidence	May 30	USD	Crude Oil Inventories
May 29	EUR	German GfK Consumer Climate	May 31	EUR	German Retail Sales m/m
May 29	EUR	M3 Money Supply y/y	May 31	EUR	French Prelim CPI m/m
May 29	EUR	Private Loans y/y	May 31	EUR	French Prelim GDP q/q
May 29	USD	Richmond Manufacturing Index	May 31	EUR	Core CPI Flash Estimate y/y
May 30	EUR	Spanish Flash CPI y/y	May 31	EUR	CPI Flash Estimate y/y
May 30	EUR	Italian Monthly Unemployment Rate	May 31	EUR	Italian Prelim CPI m/m
May 30	EUR	Unemployment Rate	May 31	USD	Core PCE Price Index m/m
May 30	USD	Prelim GDP q/q	May 31	USD	Personal Income m/m

## News you can Use

A recent survey by the European Central Bank (ECB) revealed that Euro zone consumers have lowered their inflation expectations. Expectations for inflation in the next 12 months decreased to 2.9%, the lowest level since September 2021. Expectations for inflation three years out also slipped to 2.4%, still above the ECB's 2% target. The ECB expects inflation to remain around its current level for the rest of the year before disinflation occurs and the target is reached in 2025. Younger respondents reported lower inflation expectations compared to older respondents, although there was some convergence across age groups. The ECB is likely to implement a rate cut on June 6 due to the slowdown in price growth, but some policymakers are cautious about a hasty second move, as they believe there are ample price pressures and achieving the inflation target is not guaranteed. Income expectations remained unchanged, and consumers were less pessimistic about growth, predicting a 0.8% contraction in the next year compared to a 1.1% drop seen previously.

The Bank of Japan's key measurements of underlying inflation in April all fell below its 2% target for the first time since August 2022, data showed, heightening uncertainty on the timing of its next interest rate hike. The weighted median inflation rate, among the three indicators closely watched as a gauge on whether price rises are broadening, rose 1.1% in April from a year earlier after a 1.3% gain in March, the data showed. The trimmed mean index, which excludes the upper and lower tails of the price change distribution, rose 1.8% in April from a year earlier, slowing from the previous month's 2.2%, the data showed. A third index that measures the inflation rate with the highest density in the distribution also rose 1.6% in April, slowing from the previous month's 1.9% gain, it showed. The BOJ ended eight years of negative interest rates and other remnants of its radical monetary stimulus in March on the view that sustained achievement of its 2% inflation target has come into sight. BOJ Governor Kazuo Ueda has said the central bank will raise interest rates from current near-zero levels if underlying inflation accelerates toward 2% as it currently projects.



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