



**KEDIA** ADVISORY

# DAILY BASE METALS REPORT

3 May 2024

- ALUMINIUM
- COPPER
- LEAD
- ZINC



**Kedia Stocks & Commodities Research Pvt. Ltd.**

Research Advisory | White Labelling | Digital Marketing



## MCX Basemetals Update

| Commodity | Expiry    | Open   | High   | Low    | Close  | % Change |
|-----------|-----------|--------|--------|--------|--------|----------|
| COPPER    | 31-May-24 | 858.00 | 861.20 | 843.35 | 845.95 | -9.65    |
| ZINC      | 31-May-24 | 255.00 | 258.15 | 252.20 | 256.85 | 16.86    |
| ALUMINIUM | 31-May-24 | 236.55 | 237.35 | 230.25 | 231.95 | 0.14     |
| LEAD      | 31-May-24 | 191.00 | 191.50 | 189.85 | 190.70 | 0.66     |

## Open Interest Update

| Commodity | Expiry    | % Change | % Oi Change | Oi Status     |
|-----------|-----------|----------|-------------|---------------|
| COPPER    | 31-May-24 | -1.13    | 20.72       | Fresh Selling |
| ZINC      | 31-May-24 | 1.22     | 16.86       | Fresh Buying  |
| ALUMINIUM | 31-May-24 | -1.76    | 0.14        | Fresh Selling |
| LEAD      | 31-May-24 | 0.03     | 0.66        | Fresh Buying  |

## International Update

| Commodity     | Open     | High     | Low      | Close    | % Change |
|---------------|----------|----------|----------|----------|----------|
| Lme Copper    | 9968.00  | 9989.00  | 9752.00  | 9809.00  | -0.87    |
| Lme Zinc      | 2879.50  | 2922.00  | 2846.00  | 2911.00  | 1.04     |
| Lme Aluminium | 2590.50  | 2593.50  | 2526.00  | 2541.00  | -1.42    |
| Lme Lead      | 2188.50  | 2207.50  | 2180.00  | 2197.00  | 0.78     |
| Lme Nickel    | 18875.00 | 18825.00 | 18805.00 | 18879.00 | -1.87    |

## Ratio Update

| Ratio                   | Price | Ratio                        | Price |
|-------------------------|-------|------------------------------|-------|
| Gold / Silver Ratio     | 86.94 | Crudeoil / Natural Gas Ratio | 38.83 |
| Gold / Crudeoil Ratio   | 10.72 | Crudeoil / Copper Ratio      | 7.80  |
| Gold / Copper Ratio     | 83.62 | Copper / Zinc Ratio          | 3.29  |
| Silver / Crudeoil Ratio | 12.33 | Copper / Lead Ratio          | 4.44  |
| Silver / Copper Ratio   | 96.18 | Copper / Aluminium Ratio     | 3.65  |

## TECHNICAL SNAPSHOT



**SELL ALUMINIUM MAY @ 233 SL 235 TGT 230-228. MCX**

### OBSERVATIONS

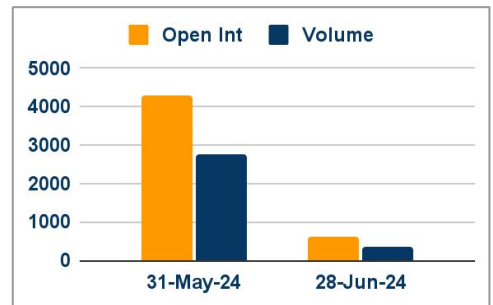
Aluminium trading range for the day is 226.1-240.3.

Aluminium prices dropped amid slower manufacturing activity growth in top consumer China.

LME aluminium stocks reduced to 171,200 tonnes, representing the weakest level since August 2022.

China's March aluminium imports jump 90% on – year

### OI & VOLUME



### SPREAD

| Commodity         | Spread |
|-------------------|--------|
| ALUMINIUM JUN-MAY | 1.10   |
| ALUMINI JUN-MAY   | 1.15   |

### TRADING LEVELS

| Commodity     | Expiry    | Close   | R2      | R1      | PP      | S1      | S2      |
|---------------|-----------|---------|---------|---------|---------|---------|---------|
| ALUMINIUM     | 31-May-24 | 231.95  | 240.30  | 236.20  | 233.20  | 229.10  | 226.10  |
| ALUMINIUM     | 28-Jun-24 | 233.05  | 240.20  | 236.70  | 234.40  | 230.90  | 228.60  |
| ALUMINI       | 31-May-24 | 232.85  | 240.60  | 236.70  | 234.20  | 230.30  | 227.80  |
| ALUMINI       | 28-Jun-24 | 234.00  | 240.90  | 237.40  | 235.10  | 231.60  | 229.30  |
| Lme Aluminium |           | 2541.00 | 2621.50 | 2582.00 | 2554.00 | 2514.50 | 2486.50 |

**TECHNICAL SNAPSHOT**



**SELL COPPER MAY @ 850 SL 855 TGT 845-840. MCX**

**OBSERVATIONS**

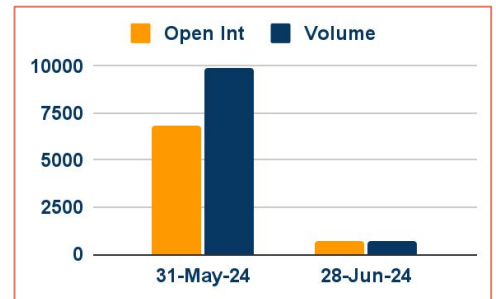
Copper trading range for the day is 832.3-868.1.

Copper fell as commodity funds took profits and assessed the outlook of US manufacturing.

Factory activity in the US unexpectedly contracted in April

China's copper producers are planning to export up to 100,000 metric tons of metal, the largest volume in 12 years.

**OI & VOLUME**



**SPREAD**

| Commodity      | Spread |
|----------------|--------|
| COPPER JUN-MAY | 5.05   |

**TRADING LEVELS**

| Commodity  | Expiry    | Close   | R2       | R1      | PP      | S1      | S2      |
|------------|-----------|---------|----------|---------|---------|---------|---------|
| COPPER     | 31-May-24 | 845.95  | 868.10   | 857.10  | 850.20  | 839.20  | 832.30  |
| COPPER     | 28-Jun-24 | 851.00  | 871.90   | 861.50  | 855.10  | 844.70  | 838.30  |
| Lme Copper |           | 9809.00 | 10087.00 | 9948.00 | 9850.00 | 9711.00 | 9613.00 |

TECHNICAL SNAPSHOT



SELL ZINC MAY @ 258 SL 261 TGT 255-253. MCX

OBSERVATIONS

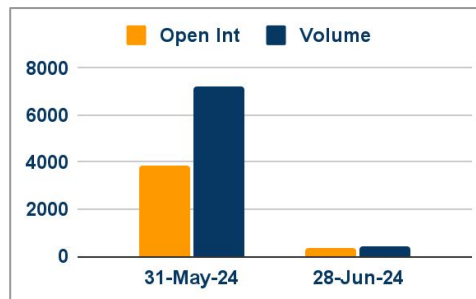
Zinc trading range for the day is 249.8-261.6.

Zinc gains amid supply disruption concern and optimism around China's economic recovery.

The global zinc market surplus widened to 40,100 metric tons in February from 12,300 tons in January

Zinc production at Nyrstar's Budel smelting operations in the Netherlands will resume

OI & VOLUME



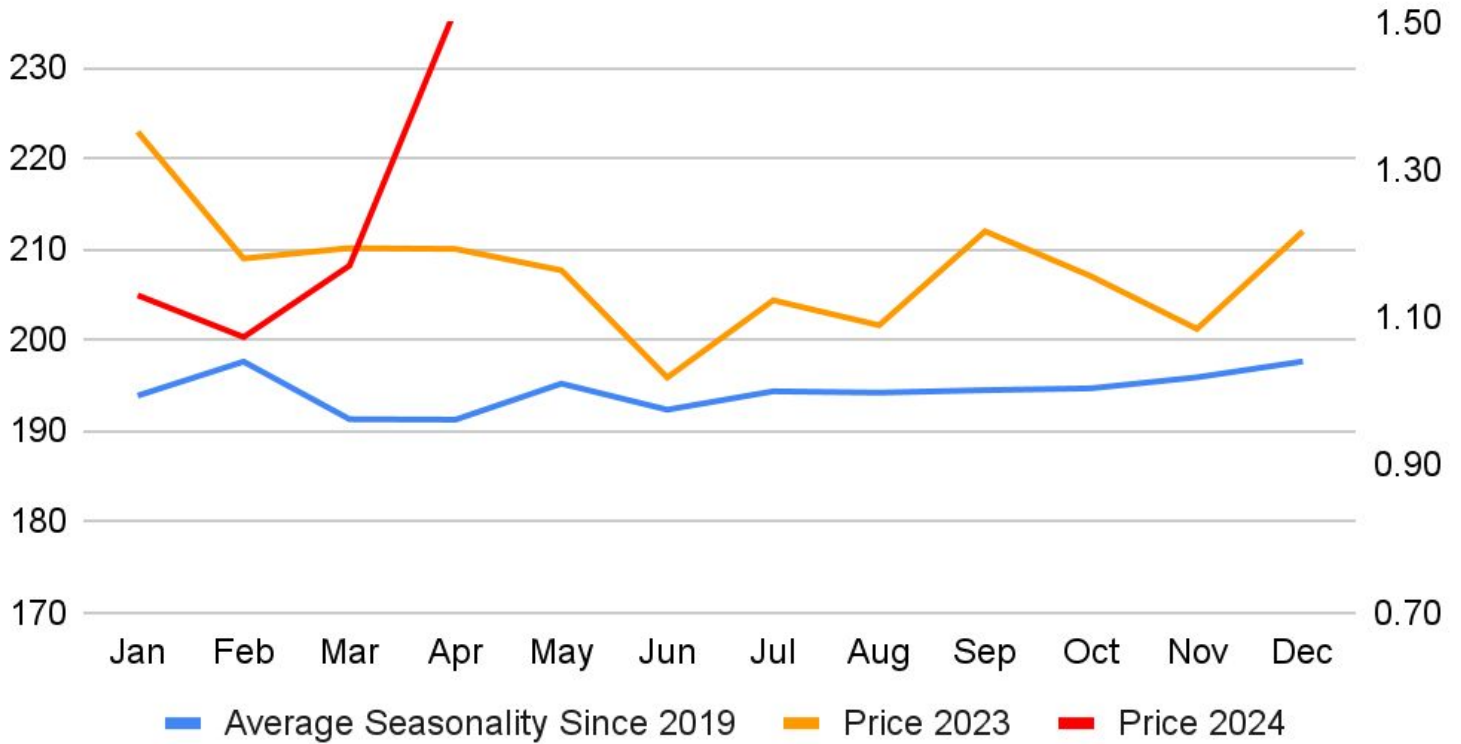
SPREAD

| Commodity        | Spread |
|------------------|--------|
| ZINC JUN-MAY     | 1.30   |
| ZINCMINI JUN-MAY | 1.30   |

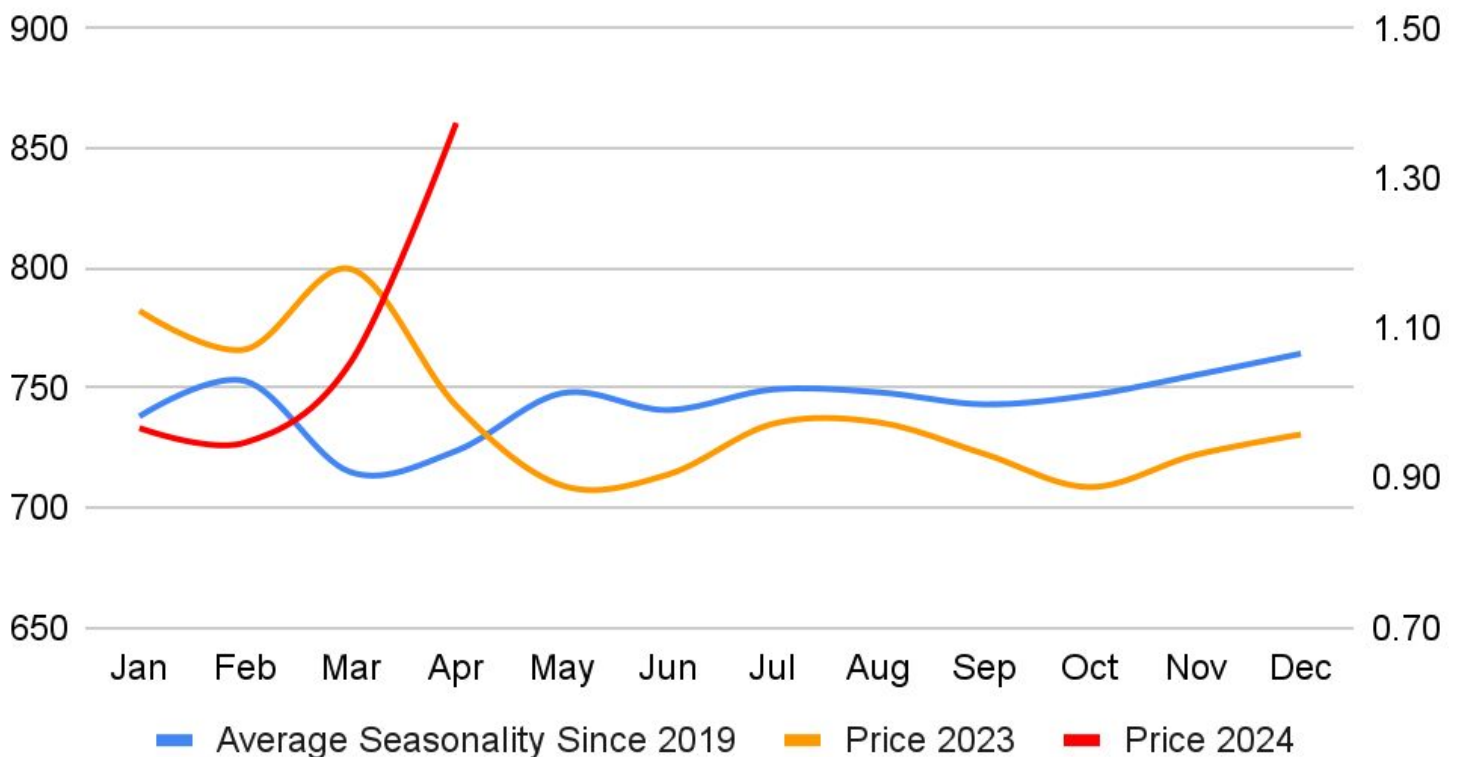
TRADING LEVELS

| Commodity | Expiry    | Close   | R2      | R1      | PP      | S1      | S2      |
|-----------|-----------|---------|---------|---------|---------|---------|---------|
| ZINC      | 31-May-24 | 256.85  | 261.60  | 259.20  | 255.70  | 253.30  | 249.80  |
| ZINC      | 28-Jun-24 | 258.15  | 262.50  | 260.30  | 257.00  | 254.80  | 251.50  |
| ZINCMINI  | 31-May-24 | 256.65  | 261.20  | 259.00  | 255.60  | 253.40  | 250.00  |
| ZINCMINI  | 28-Jun-24 | 257.95  | 262.10  | 260.00  | 256.80  | 254.70  | 251.50  |
| Lme Zinc  |           | 2911.00 | 2969.00 | 2940.00 | 2893.00 | 2864.00 | 2817.00 |

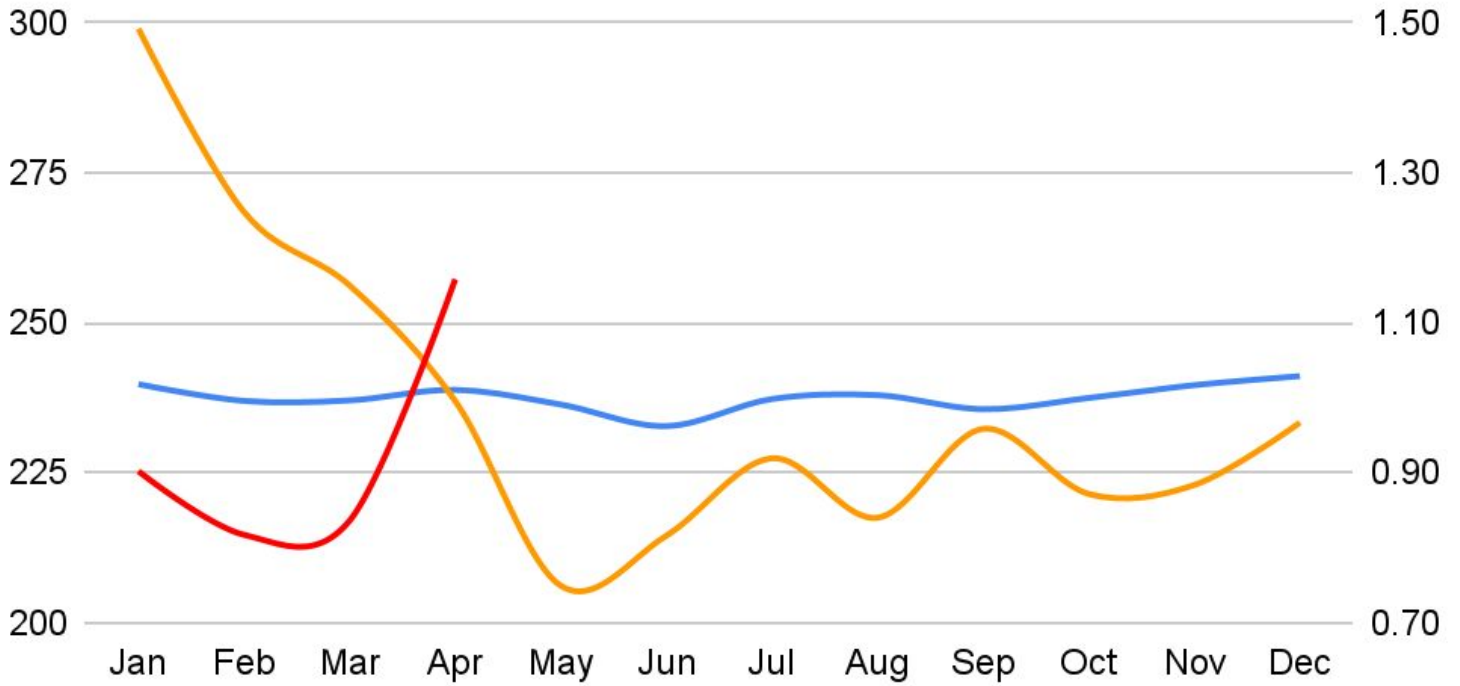
### Aluminium Seasonality



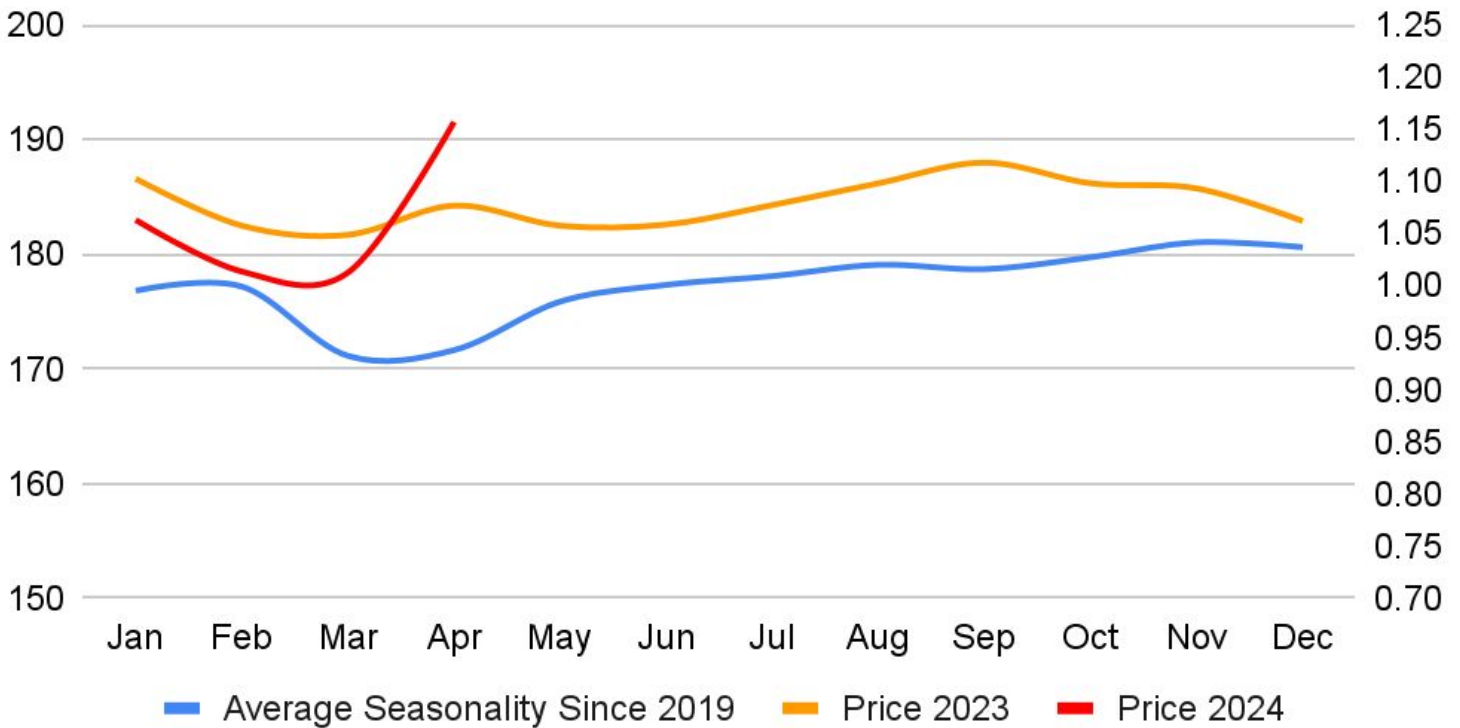
### Copper Seasonality



### Zinc Seasonality



### Lead Seasonality



— Average Seasonality Since 2019    — Price 2023    — Price 2024

## Weekly Economic Data

| Date   | Curr. | Data                        | Date  | Curr. | Data                            |
|--------|-------|-----------------------------|-------|-------|---------------------------------|
| Apr 29 | EUR   | Spanish Flash CPI y/y       | May 2 | EUR   | German Final Manufacturing PMI  |
| Apr 30 | EUR   | German Unemployment Change  | May 2 | EUR   | Final Manufacturing PMI         |
| Apr 30 | EUR   | German Prelim GDP q/q       | May 2 | USD   | Challenger Job Cuts y/y         |
| Apr 30 | EUR   | Core CPI Flash Estimate y/y | May 2 | USD   | Unemployment Claims             |
| Apr 30 | EUR   | CPI Flash Estimate y/y      | May 2 | USD   | Prelim Nonfarm Productivity q/q |
| Apr 30 | EUR   | Italian Prelim CPI m/m      | May 2 | USD   | Prelim Unit Labor Costs q/q     |
| Apr 30 | EUR   | Prelim Flash GDP q/q        | May 2 | USD   | Trade Balance                   |
| Apr 30 | USD   | Employment Cost Index q/q   | May 2 | USD   | Factory Orders m/m              |
| Apr 30 | USD   | Chicago PMI                 | May 2 | USD   | Natural Gas Storage             |
| May 1  | USD   | ADP Non-Farm Change         | May 3 | EUR   | Unemployment Rate               |
| May 1  | USD   | Final Manufacturing PMI     | May 3 | USD   | Average Hourly Earnings m/m     |
| May 1  | USD   | ISM Manufacturing PMI       | May 3 | USD   | Non-Farm Employment Change      |
| May 1  | USD   | JOLTS Job Openings          | May 3 | USD   | Unemployment Rate               |

## News you can Use

The looming U.S. presidential election will not influence the Federal Reserve's interest rate decisions, Fed Chair Jerome Powell said, adding that policymakers were "at peace" with keeping political considerations out of their decision-making process. Powell, speaking in a news conference after the end of the U.S. central bank's latest policy meeting, said Fed policy decisions will be guided by "what we think the right thing for the economy is," repeating a long-held stance of ignoring politics in the central bank's economic analysis. "If you go down the road, where do you stop? And so we're not on that road," Powell said. "We're on the road where we're serving all the American people, and making our decisions based on the data and how those data affect the outlook and the balance of risks. The issue of the Fed's independence jumped back into the spotlight last week when the Wall Street Journal reported that allies of former President Donald Trump are drafting proposals that would attempt to erode the central bank's independence and give Trump more influence over the Fed if he wins the Nov. 5 election.

The ongoing downturn in euro zone manufacturing activity deepened in April due to crumbling demand despite factories cutting prices, pushing firms to reduce headcount again, a survey showed. HCOB's final euro zone manufacturing Purchasing Managers' Index (PMI), compiled by S&P Global, fell to 45.7 in April from March's 46.1, below the 50 mark denoting growth in activity for a 22nd month. However, it was just ahead of a 45.6 preliminary estimate. The bloc's economy recovered last quarter from a mild recession and expanded 0.3% quarter-on-quarter in January-March, official data showed. Suggesting no immediate turnaround for manufacturers the new orders index, below 50 since May 2022, fell to a four-month low of 44.1 from 46.0. Factories depleted stockpiles of both purchased and final goods and reduced the size of their workforce for an eleventh month. The malaise continued despite manufacturers reducing prices charged again, adding to evidence the European Central Bank will reduce borrowing costs in June, in a widely expected move as inflation eases. Euro zone inflation held steady at 2.4% as predicted in April but a crucial indicator on underlying price pressures slowed, data showed.



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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