



**KEDIA** ADVISORY

# DAILY BASE METALS REPORT

23 Feb 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	732.45	734.10	730.20	733.25	1.00
ZINC	28-Mar-24	212.85	214.40	212.30	213.15	9.90
ALUMINIUM	28-Mar-24	200.50	201.35	197.80	198.75	64.31
LEAD	28-Mar-24	181.80	181.80	177.95	179.65	29.39

## Open Interest Update

Commodity	Expiry	% Change	% Oi Change	Oi Status
COPPER	28-Mar-24	0.14	24.70	Fresh Buying
ZINC	28-Mar-24	-0.05	9.90	Fresh Selling
ALUMINIUM	28-Mar-24	-1.34	64.31	Fresh Selling
LEAD	28-Mar-24	-0.94	29.39	Fresh Selling

## International Update

Commodity	Open	High	Low	Close	% Change
Lme Copper	8567.00	8613.00	8538.00	8609.00	0.78
Lme Zinc	2400.00	2403.00	2400.00	2394.50	0.65
Lme Aluminium	2223.00	2236.00	2189.00	2201.50	-0.81
Lme Lead	2079.00	2091.50	2072.00	2090.00	0.60
Lme Nickel	16725.00	16700.00	16725.00	16930.00	3.57

## Ratio Update

Ratio	Price	Ratio	Price
Gold / Silver Ratio	88.20	Crudeoil / Natural Gas Ratio	43.80
Gold / Crudeoil Ratio	9.48	Crudeoil / Copper Ratio	8.91
Gold / Copper Ratio	84.52	Copper / Zinc Ratio	3.44
Silver / Crudeoil Ratio	10.75	Copper / Lead Ratio	4.08
Silver / Copper Ratio	95.83	Copper / Aluminium Ratio	3.69

## TECHNICAL SNAPSHOT



**BUY ALUMINIUM MAR @ 198 SL 196 TGT 200-202. MCX**

### OBSERVATIONS

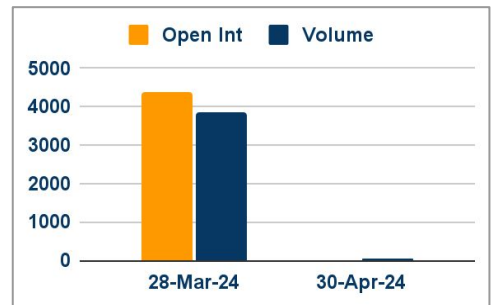
Aluminium trading range for the day is 195.8-202.8.

Aluminium dropped as China's aluminium output in January up by 4.2% YoY.

In January, domestic aluminium smelters maintained steady operations

PBoC slashed its 5-year loan prime rate, the reference for mortgages, by 25bps to 3.95% at the February fixing

### OI & VOLUME



### SPREAD

Commodity	Spread
ALUMINIUM APR-MAR	2.10
ALUMINI APR-MAR	2.10

### TRADING LEVELS

Commodity	Expiry	Close	R2	R1	PP	S1	S2
ALUMINIUM	28-Mar-24	198.75	202.80	200.80	199.30	197.30	195.80
ALUMINIUM	30-Apr-24	200.85	204.70	202.80	201.60	199.70	198.50
ALUMINI	28-Mar-24	199.20	202.70	201.00	199.70	198.00	196.70
ALUMINI	30-Apr-24	201.30	205.00	203.10	201.90	200.00	198.80
Lme Aluminium		2201.50	2256.00	2229.00	2209.00	2182.00	2162.00

## TECHNICAL SNAPSHOT



**BUY COPPER MAR @ 730 SL 726 TGT 734-738. MCX**

### OBSERVATIONS

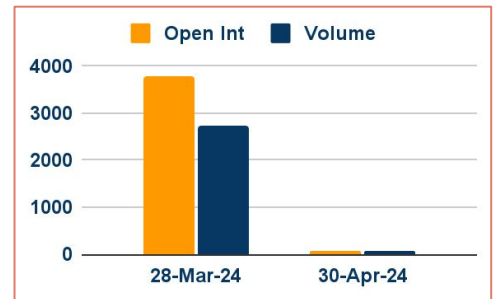
Copper trading range for the day is 728.6-736.4.

Copper gains on hopes that economic support in China will spur industrial demand.

World refined copper output in December was 2.39 million metric tons, while consumption was 2.37 million metric tons.

China will spur industrial activity and demand for input materials.

### OI & VOLUME



### SPREAD

Commodity	Spread
COPPER APR-MAR	4.95

### TRADING LEVELS

Commodity	Expiry	Close	R2	R1	PP	S1	S2
COPPER	28-Mar-24	733.25	736.40	734.80	732.50	730.90	728.60
COPPER	30-Apr-24	738.20	741.70	740.00	737.80	736.10	733.90
Lme Copper		8609.00	8662.00	8636.00	8587.00	8561.00	8512.00

TECHNICAL SNAPSHOT



**BUY ZINC MAR @ 212 SL 210 TGT 214-216. MCX**

OBSERVATIONS

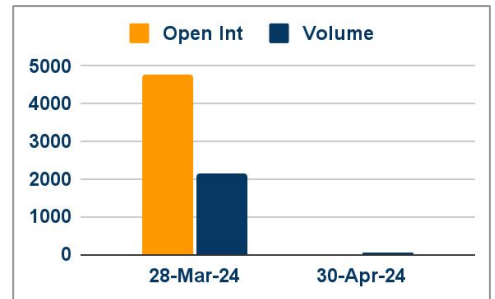
Zinc trading range for the day is 211.2-215.4.

Zinc dropped as zinc inventories have rebounded recently

The global zinc market deficit increased to 62,600 metric tons in December 2023 from a deficit of 53,500 tons in November

China's refined zinc output in January 2024 was 567,000 mt, a month-on-month decrease of 4.05%

OI & VOLUME



SPREAD

Commodity	Spread
ZINC APR-MAR	0.75
ZINCMINI APR-MAR	1.20

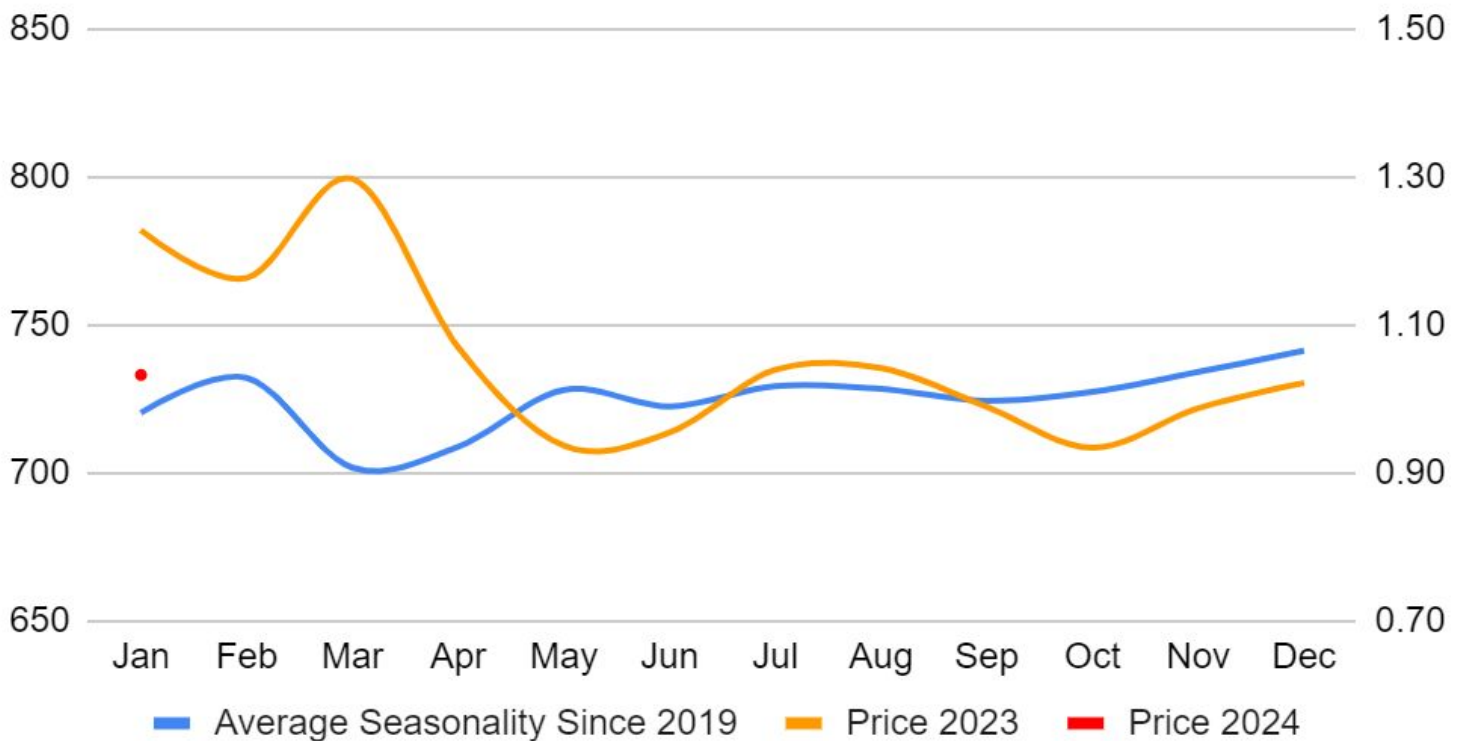
TRADING LEVELS

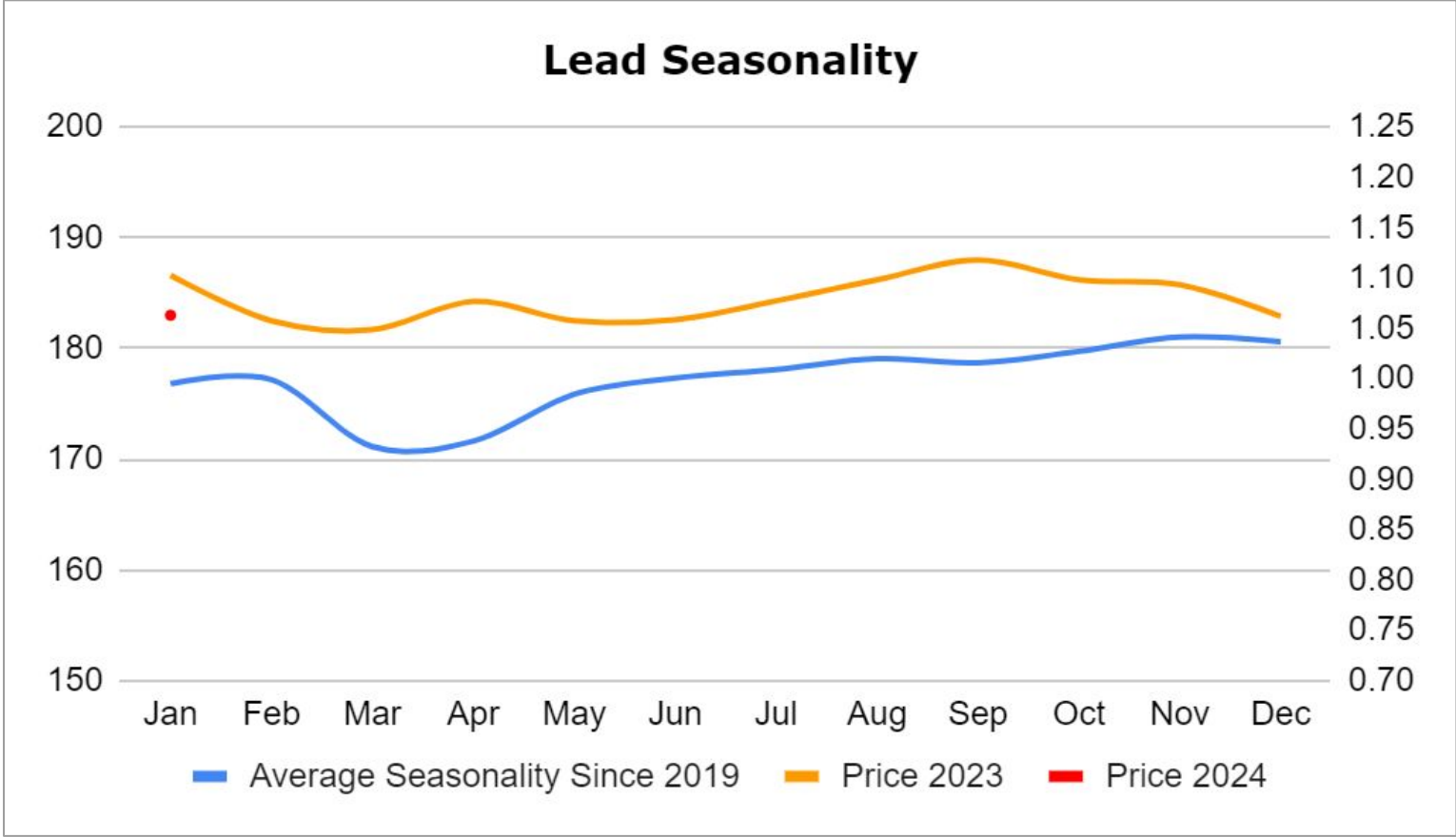
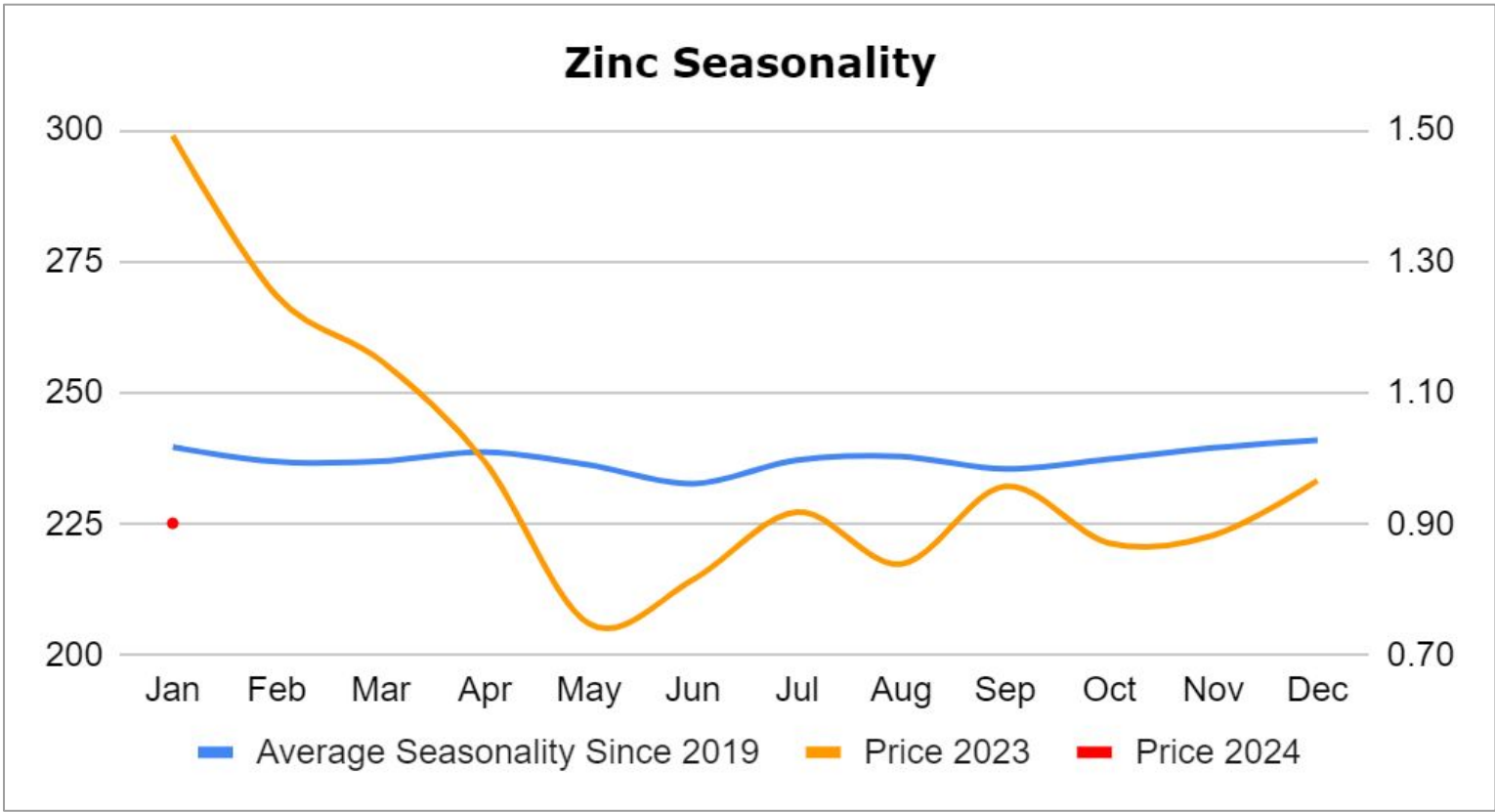
Commodity	Expiry	Close	R2	R1	PP	S1	S2
ZINC	28-Mar-24	213.15	215.40	214.30	213.30	212.20	211.20
ZINC	30-Apr-24	213.90	215.90	215.00	214.40	213.50	212.90
ZINCMINI	28-Mar-24	213.15	215.40	214.30	213.30	212.20	211.20
ZINCMINI	30-Apr-24	214.35	216.40	215.40	214.50	213.50	212.60
Lme Zinc		2394.50	2402.00	2398.00	2399.00	2395.00	2396.00

### Aluminium Seasonality



### Copper Seasonality





## Weekly Economic Data

Date	Curr.	Data	Date	Curr.	Data
Feb 19	EUR	German Buba Monthly Report	Feb 22	EUR	ECB Monetary Policy Meeting
Feb 19	USD	Bank Holiday	Feb 22	USD	Unemployment Claims
Feb 20	EUR	Current Account	Feb 22	EUR	Belgian NBB Business Climate
Feb 20	USD	CB Leading Index m/m	Feb 22	USD	Flash Manufacturing PMI
Feb 21	USD	FOMC Member Bostic Speaks	Feb 22	USD	Flash Services PMI
Feb 21	EUR	Consumer Confidence	Feb 22	USD	Existing Home Sales
Feb 22	USD	FOMC Meeting Minutes	Feb 22	USD	FOMC Member Jefferson Speaks
Feb 22	EUR	French Flash Manufacturing PMI	Feb 22	USD	Natural Gas Storage
Feb 22	EUR	French Flash Services PMI	Feb 22	USD	Crude Oil Inventories
Feb 22	EUR	German Flash Manufacturing PMI	Feb 23	USD	FOMC Member Cook Speaks
Feb 22	EUR	German Flash Services PMI	Feb 23	EUR	German Final GDP q/q
Feb 22	EUR	Flash Manufacturing PMI	Feb 23	EUR	German ifo Business Climate
Feb 22	EUR	Flash Services PMI	Feb 23	EUR	German President Nagel Speaks

## News you can Use

The au Jibun Bank Japan Manufacturing PMI unexpectedly fell to 47.2 in February 2024 from 48.0 in January, missing market consensus of 48.2, flash data showed. It was the ninth straight month of deterioration in factory activity, pointing to the deepest drop since August 2020 as output contracted the most in a year while new orders and foreign sales declined at steeper rates. Buying levels also decreased sharply amid the fastest drop in employment since January 2021. That said, a decline in backlogs of work moderated. Delivery time, meantime, strongly lengthened. Turning to prices, input cost inflation eased to a seven-month low, contributing to the softest rise in output charges since June 2021. The au Jibun Bank Japan Services PMI declined to 52.5 in February 2024 from January's four-month high of 53.1 amid softer rises in output, preliminary estimates showed. It marked the 18th straight month of expansion in the service sector as the new business growth accelerated and was the fastest recorded since last August. However, foreign demand declined after rising in the previous month. Rises in new business and indications of capacity pressures led to a solid increase in employment that was the most marked for nine months, with backlogs of work growing faster.

The bulk of policymakers at the Federal Reserve's last meeting were concerned about the risks of cutting interest rates too soon, with broad uncertainty about how long borrowing costs should remain at their current level, according to the minutes of the Jan. 30-31 session. "Participants highlighted the uncertainty associated with how long a restrictive monetary policy stance would need to be maintained" to return inflation to the Fed's 2% target, said the minutes. Whereas "most participants noted the risks of moving too quickly to ease the stance of policy," only "a couple ... pointed to downside risks to the economy associated with maintaining an overly restrictive stance for too long." U.S. stocks fell slightly following the release of the minutes while the U.S. dollar was little changed against a basket of currencies. U.S. Treasury yields rose. Fed policymakers also "generally" agreed they needed "greater confidence" in falling inflation before considering cutting rates, the minutes said in language that seemed to emphasize a careful and perhaps slower approach to rate cuts that market participants had expected to commence in June. "Some participants" cited a risk that progress on inflation could outright stall if the economy continued to perform as strongly as it has, the minutes said.



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