



**KEDIA** ADVISORY

# DAILY BASE METALS REPORT

9 Jul 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	31-Jul-24	873.85	878.20	867.25	869.80	-5.45
ZINC	31-Jul-24	276.25	276.25	271.35	271.55	-2.61
ALUMINIUM	31-Jul-24	234.10	234.45	232.25	232.65	-7.33
LEAD	31-Jul-24	190.00	190.90	189.50	190.15	-2.06

## Open Interest Update

Commodity	Expiry	% Change	% Oi Change	Oi Status
COPPER	31-Jul-24	-0.62	0.37	Fresh Selling
ZINC	31-Jul-24	-1.49	-2.61	Long Liquidation
ALUMINIUM	31-Jul-24	-0.60	-7.33	Long Liquidation
LEAD	31-Jul-24	0.03	-2.06	Short Covering

## International Update

Commodity	Open	High	Low	Close	% Change
Lme Copper	9889.00	10005.00	9863.00	9900.00	-0.44
Lme Zinc	2972.00	2996.00	2947.00	2947.00	-1.80
Lme Aluminium	2531.00	2539.00	2519.50	2529.00	-0.26
Lme Lead	2240.00	2260.00	2231.00	2239.50	0.11
Lme Nickel	17450.00	17400.00	17425.00	17341.00	0.72

## Ratio Update

Ratio	Price	Ratio	Price
Gold / Silver Ratio	78.10	Crudeoil / Natural Gas Ratio	34.77
Gold / Crudeoil Ratio	10.52	Crudeoil / Copper Ratio	7.91
Gold / Copper Ratio	83.16	Copper / Zinc Ratio	3.20
Silver / Crudeoil Ratio	13.47	Copper / Lead Ratio	4.57
Silver / Copper Ratio	106.48	Copper / Aluminium Ratio	3.74

## TECHNICAL SNAPSHOT



**SELL ALUMINIUM JUL @ 234 SL 236 TGT 231-229. MCX**

### OBSERVATIONS

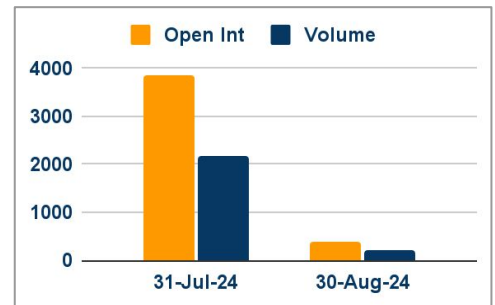
Aluminium trading range for the day is 230.9-235.3.

Aluminium dropped as China's production is closing record highs as idled capacity ramps up in Yunnan.

China's increased production by 5% year-on-year to 3.65 million metric tons in May

Domestic alumina supply has struggled to keep up with demand from the smelter restarts in Yunnan.

### OI & VOLUME



### SPREAD

Commodity	Spread
ALUMINIUM AUG-JUL	-0.65
ALUMINI AUG-JUL	-0.40

### TRADING LEVELS

Commodity	Expiry	Close	R2	R1	PP	S1	S2
ALUMINIUM	31-Jul-24	232.65	235.30	234.00	233.10	231.80	230.90
ALUMINIUM	30-Aug-24	232.00	234.40	233.30	232.60	231.50	230.80
ALUMINI	31-Jul-24	233.90	236.40	235.10	234.40	233.10	232.40
ALUMINI	30-Aug-24	233.50	235.90	234.70	234.00	232.80	232.10
Lme Aluminium		2529.00	2548.50	2538.50	2529.00	2519.00	2509.50

**TECHNICAL SNAPSHOT**



**SELL COPPER JUL @ 873 SL 878 TGT 867-862. MCX**

**OBSERVATIONS**

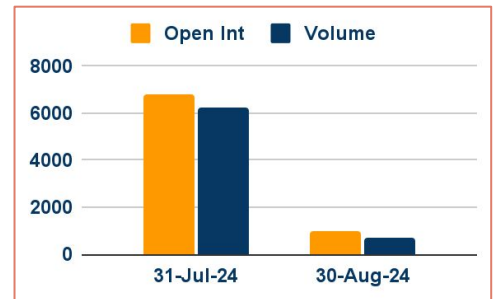
Copper trading range for the day is 860.8-882.8.

Copper prices dropped amid persisting weak demand signals from China.

Lacklustre demand in China has led to an inventory build-up.

Investors are hoping that additional stimulus measures will be announced at China's key third plenum meeting on July 15-18.

**OI & VOLUME**



**SPREAD**

Commodity	Spread
COPPER AUG-JUL	-0.15

**TRADING LEVELS**

Commodity	Expiry	Close	R2	R1	PP	S1	S2
COPPER	31-Jul-24	869.80	882.80	876.40	871.80	865.40	860.80
COPPER	30-Aug-24	869.65	881.40	875.50	871.50	865.60	861.60
Lme Copper		9900.00	10065.00	9983.00	9923.00	9841.00	9781.00

## TECHNICAL SNAPSHOT



**SELL ZINC JUL @ 273 SL 276 TGT 270-267. MCX**

### OBSERVATIONS

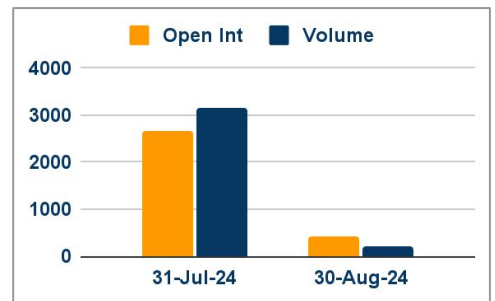
Zinc trading range for the day is 268.2-278.

Zinc dropped as inventory in the Shanghai Bonded Zone was 15,000 mt, up 1,500 mt WoW.

China's MMG Ltd has halted operations at a mill at its Dugald River zinc mine in Australia for about two months of repair work.

Zinc inventories in warehouses registered with LME rebounded 9% to their highest level in nearly three months

### OI & VOLUME

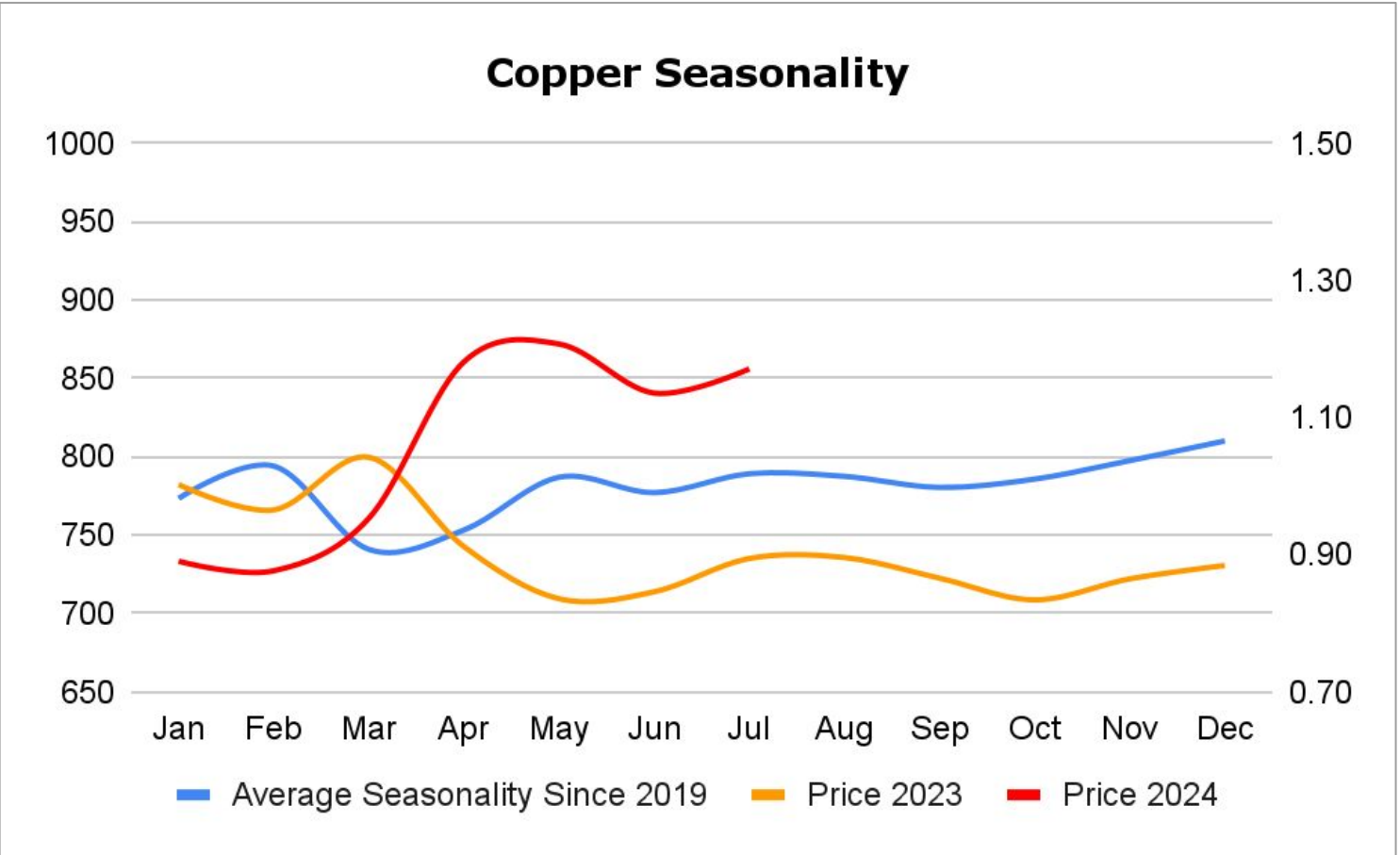
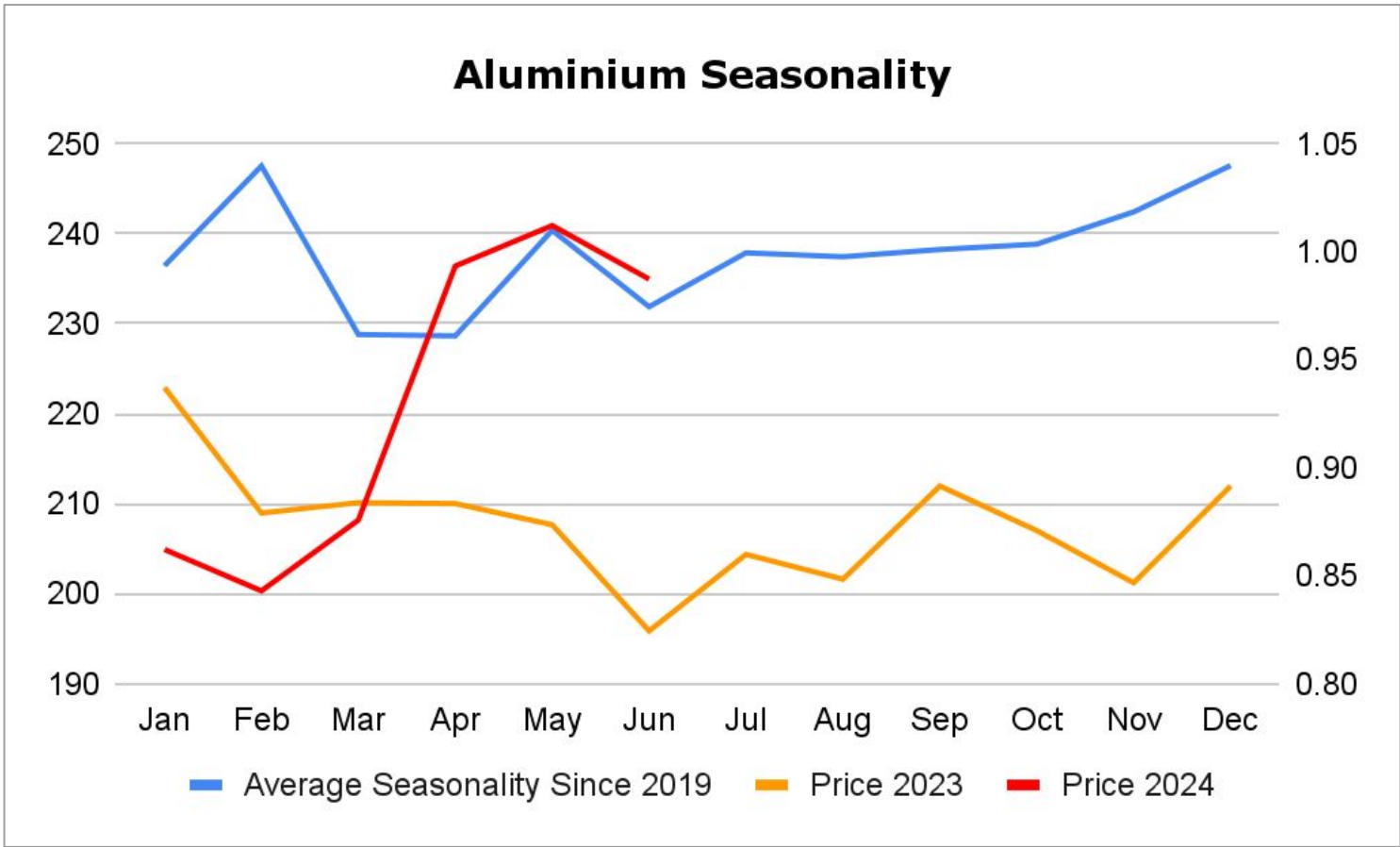


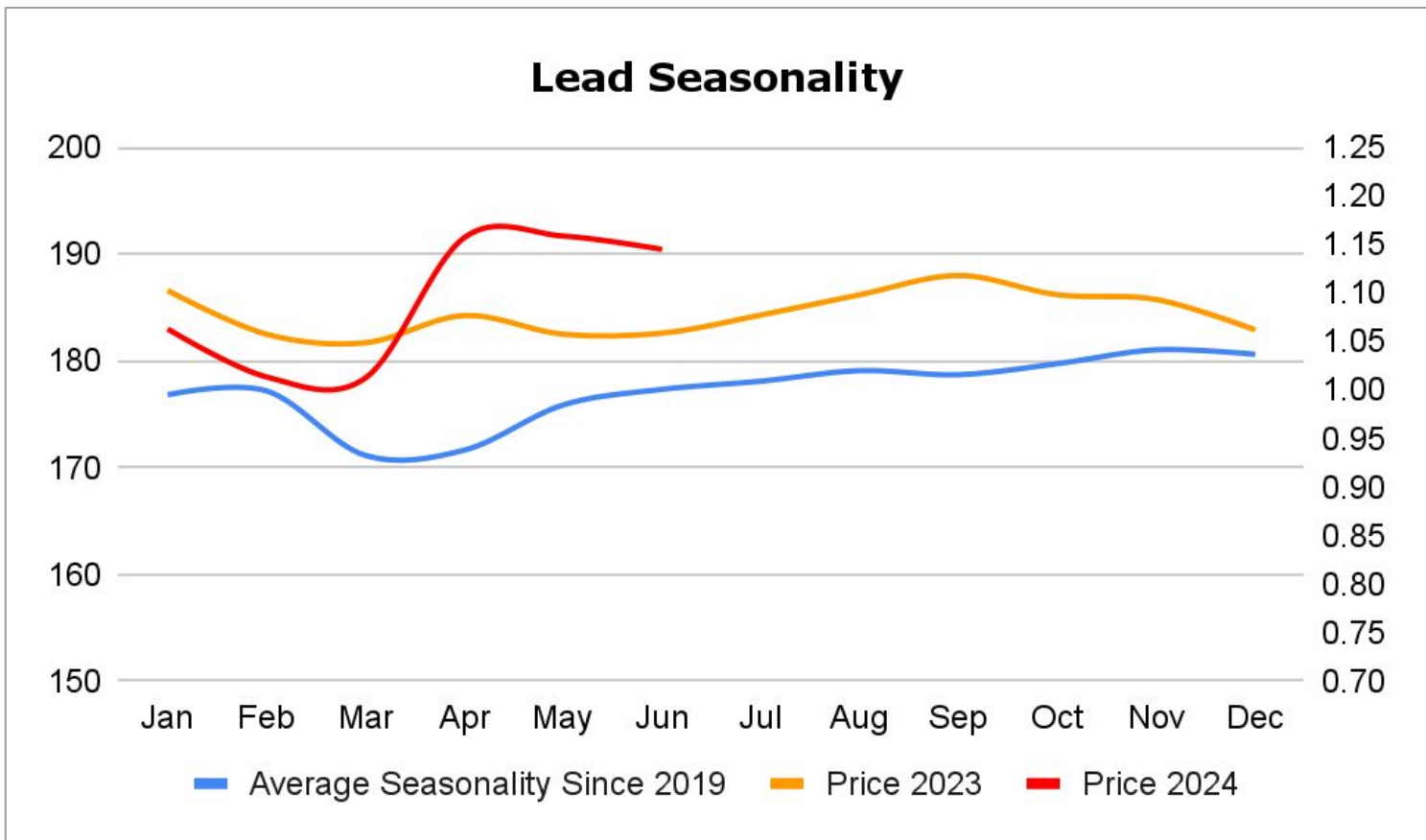
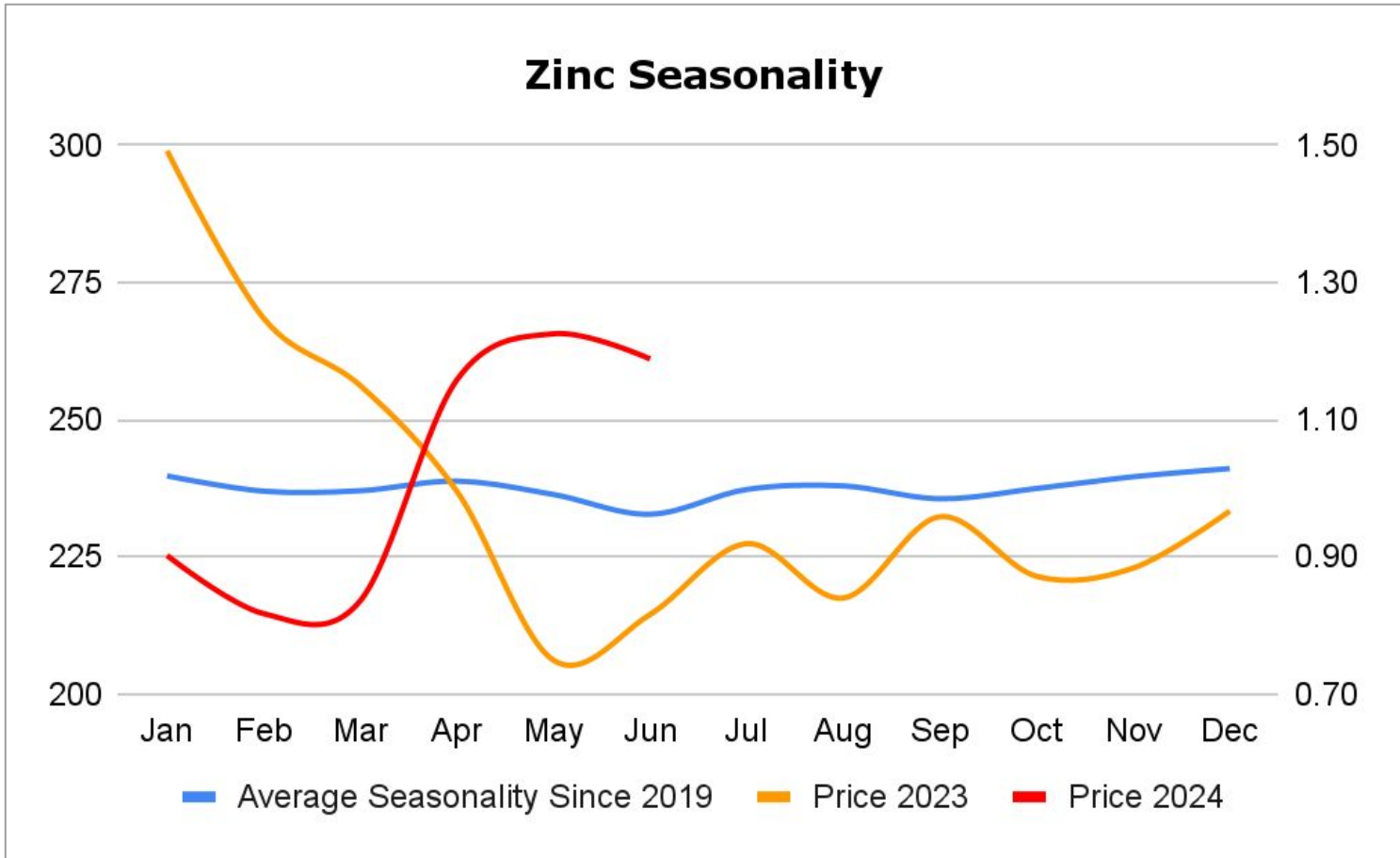
### SPREAD

Commodity	Spread
ZINC AUG-JUL	-2.30
ZINCMINI AUG-JUL	-1.95

### TRADING LEVELS

Commodity	Expiry	Close	R2	R1	PP	S1	S2
ZINC	31-Jul-24	271.55	278.00	274.90	273.10	270.00	268.20
ZINC	30-Aug-24	269.25	274.10	271.70	270.40	268.00	266.70
ZINCMINI	31-Jul-24	271.45	277.20	274.30	272.80	269.90	268.40
ZINCMINI	30-Aug-24	269.50	274.20	271.90	270.60	268.30	267.00
Lme Zinc		2947.00	3012.00	2979.00	2963.00	2930.00	2914.00





## Weekly Economic Data

Date	Curr.	Data	Date	Curr.	Data
Jul 8	EUR	German Trade Balance	Jul 11	USD	Core CPI m/m
Jul 8	EUR	Sentix Investor Confidence	Jul 11	USD	CPI m/m
Jul 9	USD	Consumer Credit m/m	Jul 11	USD	CPI y/y
Jul 9	USD	NFIB Small Business Index	Jul 11	USD	Unemployment Claims
Jul 9	USD	FOMC Member Barr Speaks	Jul 11	USD	Natural Gas Storage
Jul 9	USD	Fed Chair Powell Testifies	Jul 11	USD	FOMC Member Bostic Speaks
Jul 9	USD	Treasury Sec Yellen Speaks	Jul 11	USD	FOMC Member Musalem Speaks
Jul 9	USD	FOMC Member Bowman Speaks	Jul 11	USD	30-y Bond Auction
Jul 10	EUR	German Buba Nagel Speaks	Jul 11	USD	Federal Budget Balance
Jul 10	EUR	Italian Industrial Production m/m	Jul 12	EUR	German WPI m/m
Jul 10	EUR	German Buba Nagel Speaks	Jul 12	EUR	French Final CPI m/m
Jul 10	USD	Fed Chair Powell Testifies	Jul 12	USD	Core PPI m/m
Jul 10	USD	Final Wholesale Inventories m/m	Jul 12	USD	PPI m/m

## News you can Use

Euro zone inflation eased last month but a crucial services component remained stubbornly high, likely fuelling concern among some European Central Bank policymakers that domestic price pressures could stay at elevated levels. Consumer inflation in the 20 nations sharing the euro currency slowed to 2.5% in June from 2.6% a month earlier, in line with expectations, as a rise in energy and unprocessed food costs moderated. While the ECB has long predicted that inflation will hover on either side of this level for the rest of the year, economists are scrutinizing underlying price trends to gauge whether the ECB can indeed bring inflation down to its 2% target next year. This closely watched core inflation figure held steady at 2.9%, coming above expectations for 2.8%, mostly on a continued 4.1% rise in services prices. The figures are unlikely to provide the ECB much clarity on where prices are heading and ECB President Christine Lagarde already said that more time is needed to be certain, so there should be no hurry to ease policy further. While the price of goods has been muted for much of this year and energy inflation has also dropped, services have proven sticky, a phenomenon that has divided ECB policymakers. Some argue that services developments merely follow other components with a delay and a moderation is in the pipeline, also to be helped by an economic rebound that should improve competitiveness.

U.S. manufacturing contracted for a third straight month in June and a measure of prices paid by factories for inputs dropped to a six-month low amid weak demand for goods, indicating that inflation could continue to subside. The Institute for Supply Management (ISM) said that its manufacturing PMI slipped to 48.5 last month from 48.7 in May. Government data last week showed manufacturing contracted at a 4.3% annualized rate in the first quarter, with most of the decline coming from long-lasting manufactured goods. The Federal Reserve has maintained its benchmark overnight interest rate in the current 5.25%-5.50% range since last July. Financial markets expect the U.S. central bank to start its easing cycle in September, though policymakers recently adopted a more hawkish outlook. The Fed has hiked its policy rate by 525 basis points since 2022 to quell inflation. The ISM survey's forward-looking new orders sub-index rose to a still-subdued 49.3 reading from 45.4 in May. Output at factories decreased for the first time since February. The production sub-index fell to 48.5 from 50.2 in May. Declining goods prices accounted for much of the unchanged reading in monthly inflation in May. The decrease in input prices last month bodes well for the continued disinflationary trend in the broader economy.



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