



KEDIA ADVISORY

DAILY BASE METALS REPORT

23 Jan 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-Jan-24 | 715.25 | 716.30 | 713.50 | 714.85 | -2.95 |
| ZINC | 31-Jan-24 | 219.00 | 219.90 | 218.40 | 219.35 | -12.61 |
| ALUMINIUM | 31-Jan-24 | 196.40 | 196.75 | 195.95 | 196.15 | -16.90 |
| LEAD | 31-Jan-24 | 181.15 | 181.50 | 178.80 | 180.50 | -7.00 |

Open Interest Update

| Commodity | Expiry | % Change | % Oi Change | Oi Status |
|-----------|-----------|----------|-------------|------------------|
| COPPER | 31-Jan-24 | -0.41 | -4.53 | Long Liquidation |
| ZINC | 31-Jan-24 | -0.18 | -12.61 | Long Liquidation |
| ALUMINIUM | 31-Jan-24 | -0.63 | -16.90 | Long Liquidation |
| LEAD | 31-Jan-24 | -0.30 | -7.00 | Long Liquidation |

International Update

| Commodity | Open | High | Low | Close | % Change |
|---------------|----------|----------|----------|----------|----------|
| Lme Copper | 8374.50 | 8386.00 | 8315.00 | 8327.00 | -0.29 |
| Lme Zinc | 2469.50 | 2476.00 | 2447.50 | 2452.00 | -0.41 |
| Lme Aluminium | 2175.00 | 2185.00 | 2155.50 | 2158.00 | -0.37 |
| Lme Lead | 2108.00 | 2135.00 | 2098.00 | 2130.00 | 1.16 |
| Lme Nickel | 16032.50 | 16097.00 | 15924.00 | 16023.50 | -0.08 |

Ratio Update

| Ratio | Price | Ratio | Price |
|-------------------------|-------|------------------------------|-------|
| Gold / Silver Ratio | 87.36 | Crudeoil / Natural Gas Ratio | 30.89 |
| Gold / Crudeoil Ratio | 9.88 | Crudeoil / Copper Ratio | 8.76 |
| Gold / Copper Ratio | 86.55 | Copper / Zinc Ratio | 3.26 |
| Silver / Crudeoil Ratio | 11.30 | Copper / Lead Ratio | 3.96 |
| Silver / Copper Ratio | 99.06 | Copper / Aluminium Ratio | 3.64 |

TECHNICAL SNAPSHOT

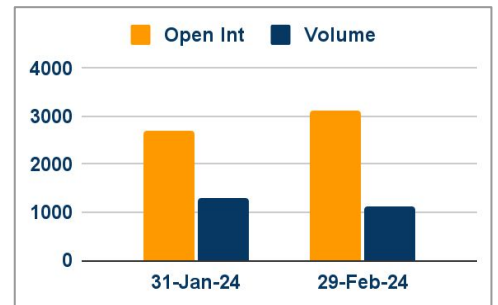


BUY ALUMINIUM JAN @ 196 SL 194 TGT 198-200. MCX

OBSERVATIONS

- Aluminium trading range for the day is 195.5-197.1.
- Aluminium dropped as LME aluminium stocks have jumped by 25% since Dec. 14
- China missed forecasts for economic growth while sales in the debt-heavy property sector continued to decline
- China's imports of aluminium jumped 28% in 2023

OI & VOLUME



SPREAD

| Commodity | Spread |
|-------------------|--------|
| ALUMINIUM FEB-JAN | 2.15 |
| ALUMINI FEB-JAN | 2.30 |

TRADING LEVELS

| Commodity | Expiry | Close | R2 | R1 | PP | S1 | S2 |
|---------------|-----------|---------|---------|---------|---------|---------|---------|
| ALUMINIUM | 31-Jan-24 | 196.15 | 197.10 | 196.70 | 196.30 | 195.90 | 195.50 |
| ALUMINIUM | 29-Feb-24 | 198.30 | 199.60 | 199.00 | 198.60 | 198.00 | 197.60 |
| ALUMINI | 31-Jan-24 | 196.35 | 197.30 | 196.80 | 196.50 | 196.00 | 195.70 |
| ALUMINI | 29-Feb-24 | 198.65 | 200.20 | 199.50 | 199.00 | 198.30 | 197.80 |
| Lme Aluminium | | 2158.00 | 2195.50 | 2176.50 | 2166.00 | 2147.00 | 2136.50 |

TECHNICAL SNAPSHOT



BUY COPPER JAN @ 712 SL 708 TGT 716-72. MCX

OBSERVATIONS

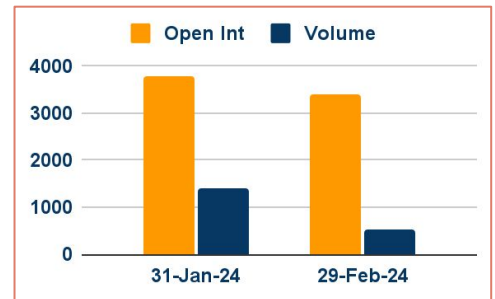
Copper trading range for the day is 712.1-717.7.

Copper dropped as SHFE inventories rose 10.8% from last Friday

China's refined copper production in December climbed 16.6% from the prior year to around 1.17 million metric tons

First Quantum's Cobre mine in Panama halts production

OI & VOLUME



SPREAD

| Commodity | Spread |
|----------------|--------|
| COPPER FEB-JAN | 6.35 |

TRADING LEVELS

| Commodity | Expiry | Close | R2 | R1 | PP | S1 | S2 |
|------------|-----------|---------|---------|---------|---------|---------|---------|
| COPPER | 31-Jan-24 | 714.85 | 717.70 | 716.30 | 714.90 | 713.50 | 712.10 |
| COPPER | 29-Feb-24 | 721.20 | 727.60 | 724.40 | 722.40 | 719.20 | 717.20 |
| Lme Copper | | 8327.00 | 8414.00 | 8371.00 | 8343.00 | 8300.00 | 8272.00 |

TECHNICAL SNAPSHOT

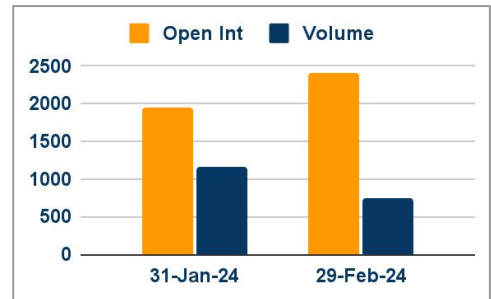


BUY ZINC JAN @ 218 SL 216 TGT 221-223. MCX

OBSERVATIONS

- Zinc trading range for the day is 217.7-220.7.
- Zinc ended with losses on weak Chinese economic data.
- Industrial output in China showed signs of improvement.
- The global zinc market deficit increased in November 2023.

OI & VOLUME

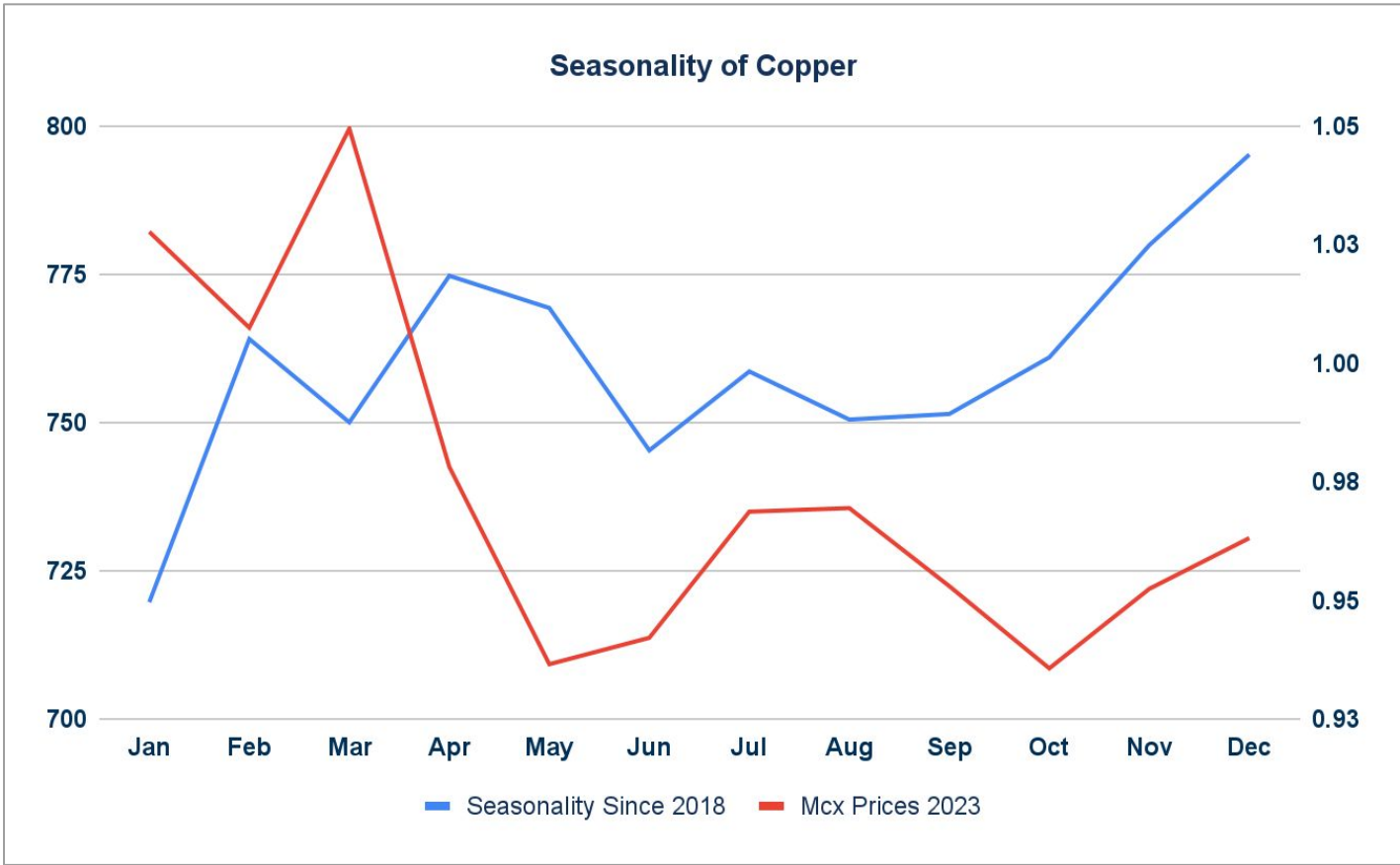
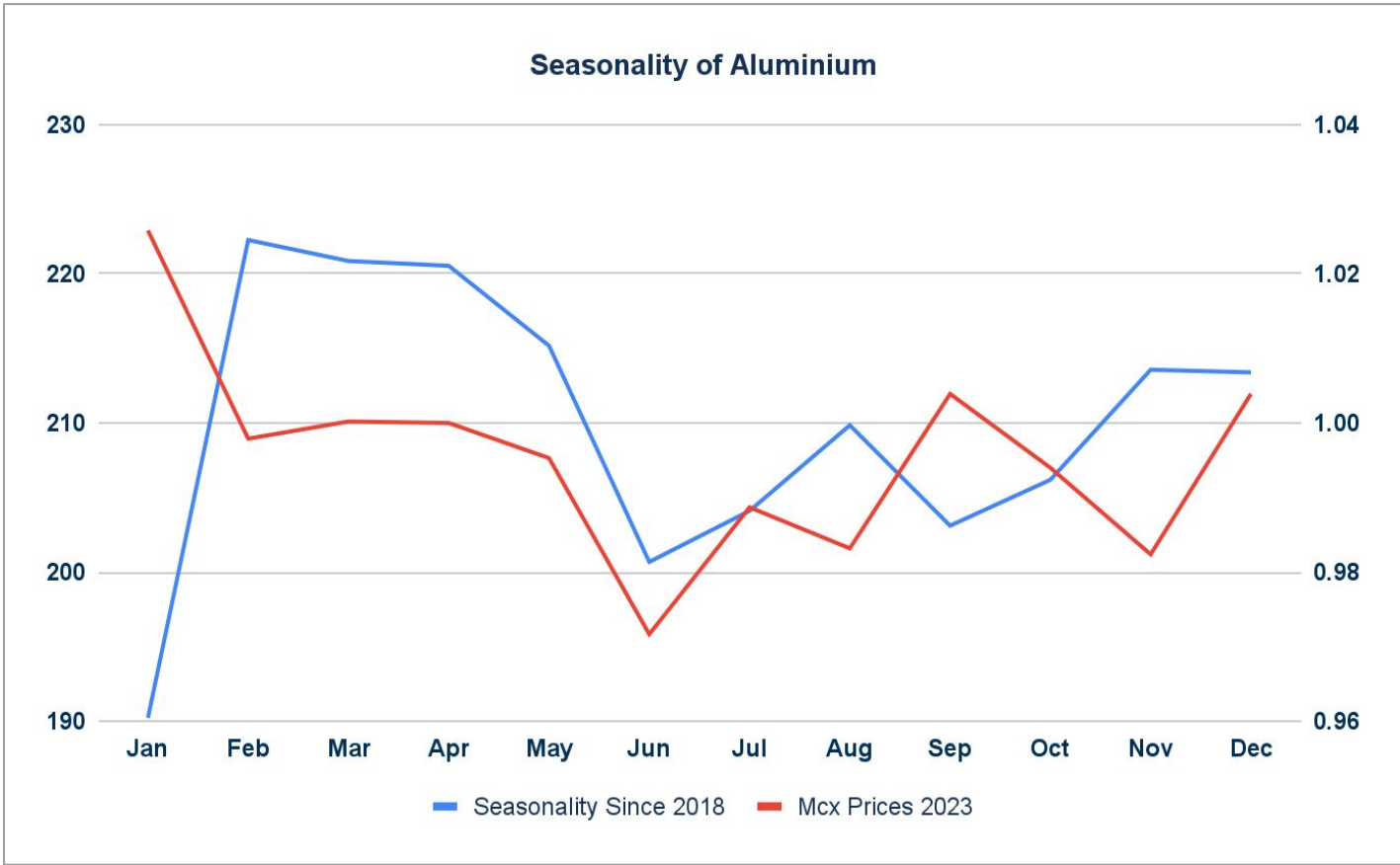


SPREAD

| Commodity | Spread |
|------------------|--------|
| ZINC FEB-JAN | 1.75 |
| ZINCMINI FEB-JAN | 1.70 |

TRADING LEVELS

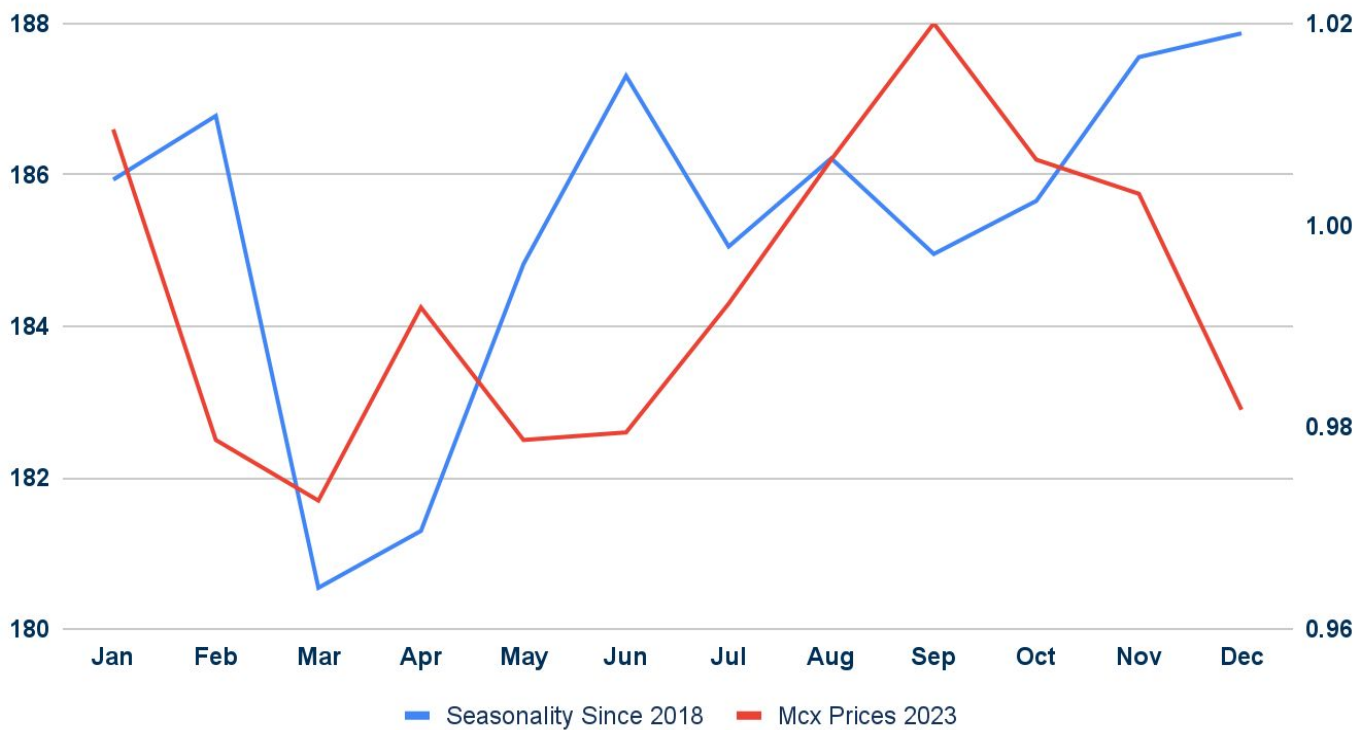
| Commodity | Expiry | Close | R2 | R1 | PP | S1 | S2 |
|-----------|-----------|---------|---------|---------|---------|---------|---------|
| ZINC | 31-Jan-24 | 219.35 | 220.70 | 220.00 | 219.20 | 218.50 | 217.70 |
| ZINC | 29-Feb-24 | 221.10 | 222.70 | 222.00 | 221.10 | 220.40 | 219.50 |
| ZINCMINI | 31-Jan-24 | 219.50 | 220.70 | 220.20 | 219.40 | 218.90 | 218.10 |
| ZINCMINI | 29-Feb-24 | 221.20 | 222.60 | 222.00 | 221.20 | 220.60 | 219.80 |
| Lme Zinc | | 2452.00 | 2487.50 | 2470.50 | 2459.00 | 2442.00 | 2430.50 |



Seasonality of Zinc



Seasonality of Lead



Weekly Economic Data

| Date | Curr. | Data | Date | Curr. | Data |
|--------|-------|--------------------------------|--------|-------|-------------------------------|
| Jan 22 | USD | CB Leading Index m/m | Jan 25 | USD | Unemployment Claims |
| Jan 23 | EUR | Consumer Confidence | Jan 25 | USD | Advance GDP Price Index q/q |
| Jan 23 | USD | Richmond Manufacturing Index | Jan 25 | USD | Core Durable Goods Orders m/m |
| Jan 24 | EUR | French Flash Manufacturing PMI | Jan 25 | USD | Durable Goods Orders m/m |
| Jan 24 | EUR | French Flash Services PMI | Jan 25 | USD | Goods Trade Balance |
| Jan 24 | EUR | German Flash Manufacturing PMI | Jan 25 | EUR | Belgian NBB Business Climate |
| Jan 24 | EUR | German Flash Services PMI | Jan 25 | USD | New Home Sales |
| Jan 24 | EUR | Flash Manufacturing PMI | Jan 25 | USD | Natural Gas Storage |
| Jan 24 | EUR | Flash Services PMI | Jan 26 | EUR | German GfK Consumer Climate |
| Jan 24 | USD | Flash Manufacturing PMI | Jan 26 | EUR | M3 Money Supply y/y |
| Jan 24 | USD | Flash Services PMI | Jan 26 | EUR | Private Loans y/y |
| Jan 24 | USD | Crude Oil Inventories | Jan 26 | USD | Core PCE Price Index m/m |
| Jan 25 | EUR | German ifo Business Climate | Jan 26 | USD | Personal Income m/m |

News you can Use

Japan's core inflation stayed above the central bank's 2% target in December but slowed for a second straight month, data showed, reinforcing expectations it will be in no hurry to phase out its massive monetary stimulus. The data, which matched median market forecasts, highlights receding inflationary pressure from raw material imports, and heightens the chance the Bank of Japan will maintain ultra-low interest rates at next week's meeting. The core consumer price index (CPI), which excludes fresh food but includes energy costs, in December rose 2.3% from a year earlier, government data showed, marking the slowest pace of increase since June 2022. It followed a 2.5% rise in November. The "core" index that strips away both fresh food and energy prices, closely watched by the BOJ as a better gauge of the broader price trend, in December rose 3.7% from a year earlier after a 3.8% gain in November. Japan's core consumer inflation has exceeded the BOJ's 2% target since April last year as soaring raw material costs prodded many firms to pass on higher costs. After peaking at 4.2% in January, inflation has slowed due to easing cost-push pressures in line with the BOJ's forecasts.

The number of Americans filing new claims for unemployment benefits fell last week to the lowest level since late 2022, suggesting job growth likely remained solid in January. Initial claims for state unemployment benefits dropped 16,000 to a seasonally adjusted 187,000 for the week ended Jan. 13, the lowest level since September 2022, the Labor Department said. Claims data tend to be volatile at the turn of the year. The labor market is gradually easing, with employers generally reluctant to lay off workers following difficulties finding labor during and after the COVID-19 pandemic. The Fed's Beige Book report showed that "nearly all districts cited one or more signs of a cooling labor market," including larger applicant pools, lower turnover rates and abating wage pressures. But pockets of worker shortages remain, with the report also showing that "two districts continued to note a tight labor market, and several described hiring challenges for firms seeking specialty skills." The claims data covered the period during which the government surveyed employers for the nonfarm payrolls component of January's employment report. Claims fell between the December and January survey period. The economy added 216,000 jobs in December compared to 173,000 in November.

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