

Special Monthly Report on

BASE METALS

APRIL 2023



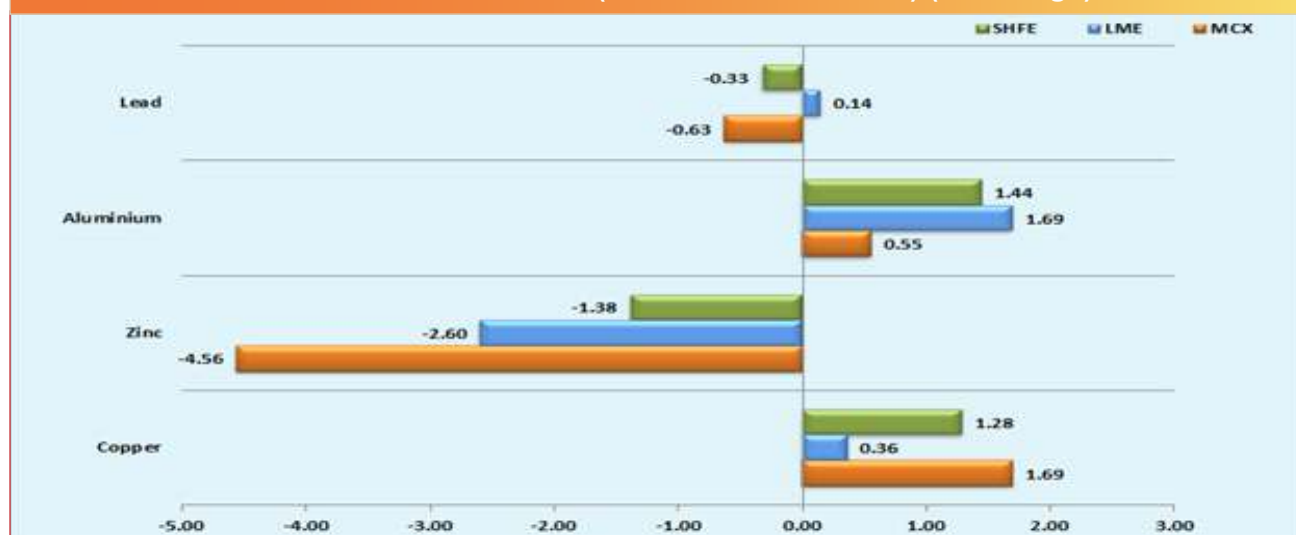
• ALUMINIUM • COPPER • LEAD • ZINC



Moneywise. Be wise.

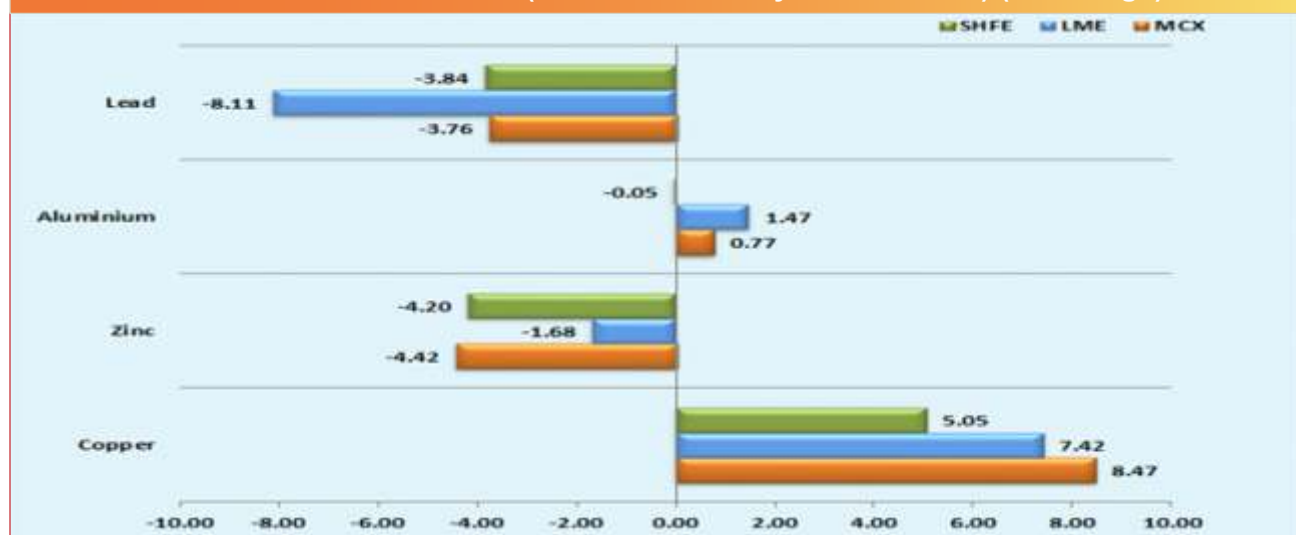
In March 2023, Industrial metals traded mix. Copper & Aluminium prices posted gain as seasonal demand rebounds in China while the economy overall improves. Copper has been the best-performing industrial metal this year, gaining 6 per cent while others such as zinc and lead have fallen on broader financial market weakness. Inventories are now at the lowest seasonal level since 2008, helping copper prices. Economic activity in China picked up in the first three months of 2023 as consumption and infrastructure investment drove recovery from pandemic disruption despite challenges of weak global demand and a downturn in the property sector. China's manufacturing activity rose in March at a slower pace compared with a record-breaking expansion in February, but still exceeded expectations by economists in a Reuters poll. Aluminium prices posted gain due to production disruptions in the southwestern China's Yunnan province.

Base Metals Performance (Return in March 2023) (% Change)



Source: SMC Research & Reuters

Base Metals Performance (Return in January - March 2023) (% Change)



Source: SMC Research & Reuters

Outlook

- Base metals prices may trade in different direction on mixed fundamentals. China's economic recovery was mixed in March with business confidence and the housing market improving but the global outlook darkening amid heightened financial market turmoil. Worries over global economic growth further clouded metals' demand, outweighing supply concerns spurred by production cuts in Europe.
- The global environment remains uncertain, though, with central banks continuing to hike interest rates to curb inflation and a banking crisis fueling investor concern. A weakening global economy means a further slump in demand.
- China's consumer inflation in March hit the slowest pace since September 2021, driven by falling food prices, official data showed, suggesting demand weakness persists amid an uneven economic recovery.
- Copper inventory declines have also been accelerated by the growing turn towards green economies, as copper is an essential component in renewable-energy technology.
- Chinese copper demand was up 13 per cent year on year last month, according to the Goldman Sachs, after activity picked up after the lunar New Year, which took place earlier this year than last. It forecasts that copper could hit \$10,500 a tonne in the

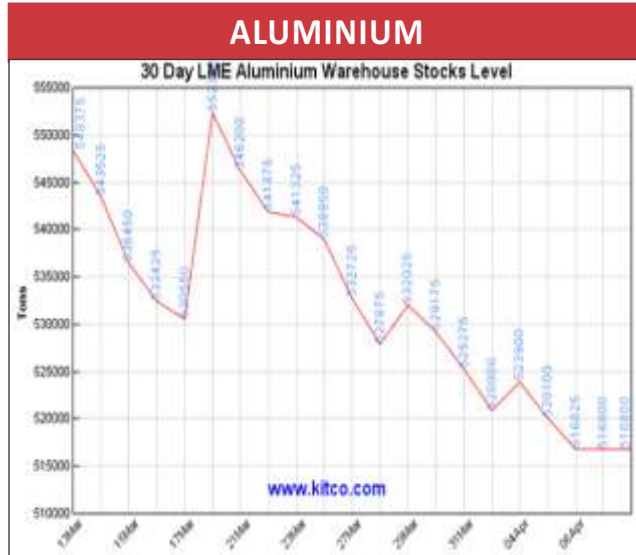
near-term, before reaching \$15,000 by 2025.

- State-owned firm Codelco warned its output woes of 2022 will only get worse this year as it strives to revive its aging operations following years of under-investment.
- Traders were still watching for any possible further production disruptions in the southwestern China's Yunnan province, where local aluminium producers have been asked to cut power usage due to tight hydro-power supply.

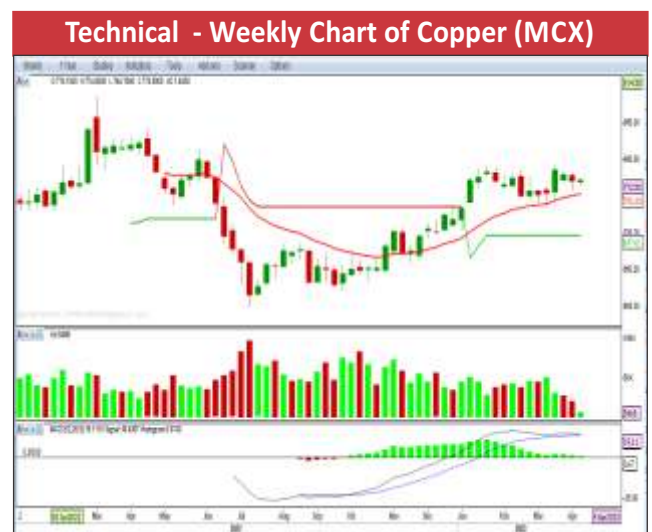
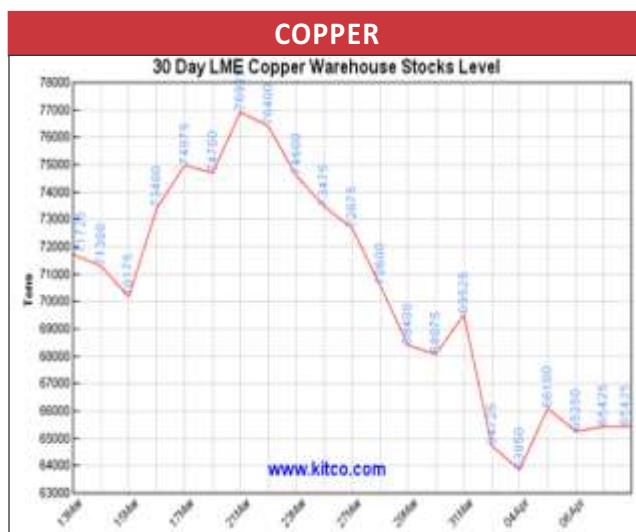
BASE METAL MONTHLY TECHNICAL REPORT

ALUMINIUM

COPPER



Aluminium Future at the MCX platform has settled lower at 206.55 on last week. From the month of Sep'2022 to month of Feb'2023, prices have been traded in a range between 185-230. Now the prices have been trading below the 18 days moving averages of 209. The short term immediate resistance is seen around 212, sustainable trade above 212 can see the upside move towards 230/245 and if it breaks the support line of 200, then it can see the downside move towards 187/172 respectively. Overall the commodity is expected to move lower from its resistance levels. Thus we recommend selling at its higher levels in the current month.



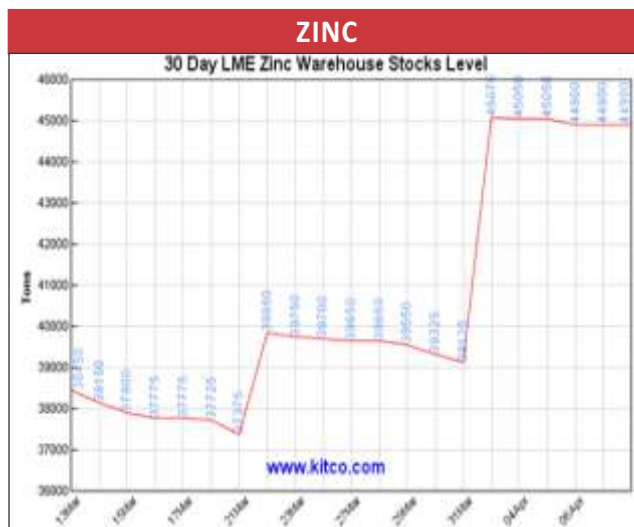
Copper futures at the MCX platform has settled lower at 771.10 on the previous week from the previous closing price of 779.55. The prices have been well sustained above the weekly trend line resistance of 740. Now the immediate resistance is seen around 792. If the price will sustains above 792 levels, it can continue to move upside towards 815/840. If the price has failed to sustains above the resistance of 791, then we can see again the down side move towards 740/715 again. Overall the commodity is expected to move higher from its support levels.

LEAD



Lead future at the MCX platform has settled little lower at 180.55 on the previous week. At present prices are trading below the daily 18 EMA levels of 182.25. The Momentum Oscillator Stochastic (14,3,3) is now witnessing negative divergence and also providing bearish trend for short to medium term basis. Now the crucial resistance is seen at 186, sustainable trade above this level will see the good upside move towards 192/200 in this month and if the prices has sustain below the support level of 179.50 levels then can see the downside move towards 174/169 respectively.

ZINC



Zinc future at the MCX platform has settled lower at 247.30 on the previous week. At present prices are trading below the daily 200 EMA levels 280.00 and below the weekly sloping trend line support levels of 260. Now the immediate support is seen around 245, If the price will sustain below the support levels of 245 then we can see further downside move towards 230/215 and if it trades above the immediate resistance of 273 levels and sustain can see the upside move towards 290/310 respectively. But the view will be intact until the recent low 245 is not interrupted.

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