

Special Monthly Report on

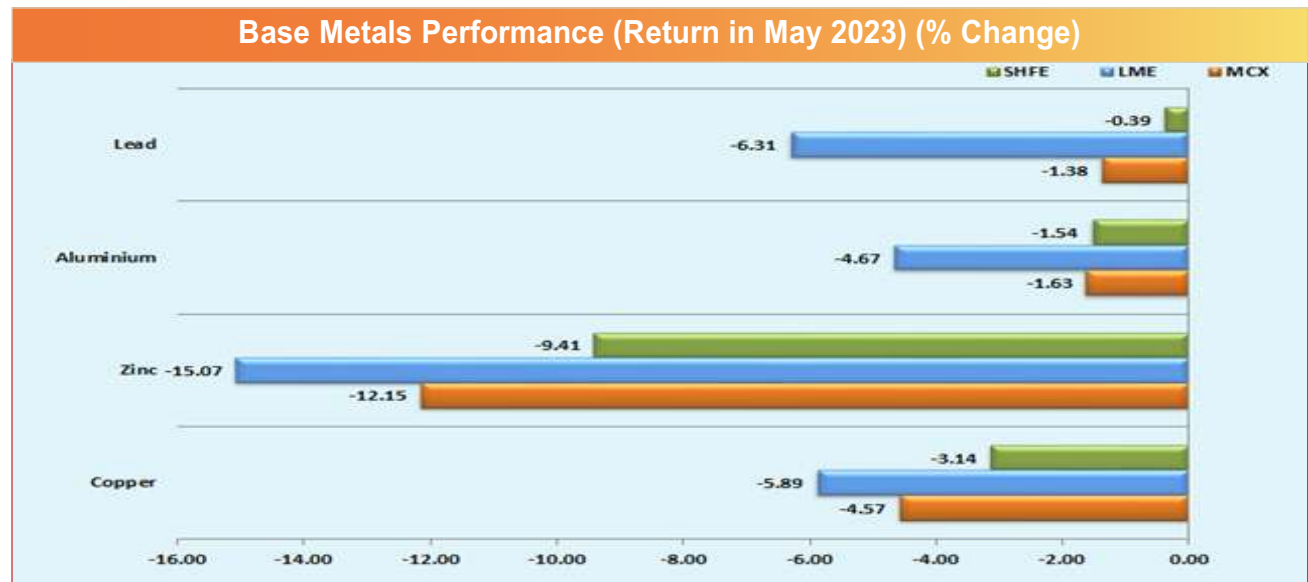
BASE METALS

JUNE 2023

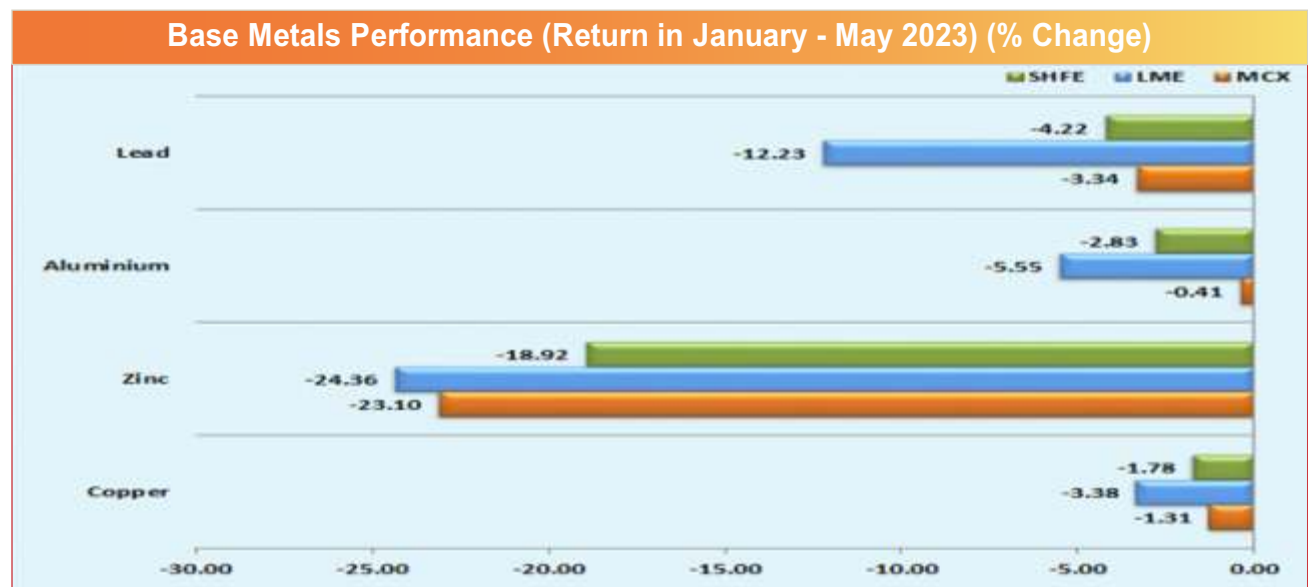


• ALUMINIUM • COPPER • LEAD • ZINC

On LME, Copper slumped almost 6% in May, its biggest monthly loss since June, pressured by the sluggish pace of metals demand recovery in China and fear of US debt limit default. China's factory activity unexpectedly swung to growth in May from decline, a private sector survey showed, driven by improved production and demand, helping struggling firms that have been hit by slumping profits. Business confidence for the coming 12 months fell to a seven-month low amid concerns over global economic prospects. China's construction industry is stagnant, Chinese Yangshan copper import premiums at \$37.50 a tonne are stuck well below their long term average, and copper stocks in LME warehouses have almost doubled since mid-April to 100,000 tonnes. Zinc was highest loser with 15% downside on LME and 12% downside on MCX and nosedived to 24-month low on May 26 as weak demand for the metal used to galvanise steel pushed the market into surplus and exchange inventories rose. Aluminium prices fell more than 12% on LME as the amount of Russian aluminium in the LME warehouse network has grown significantly over recent months as many Western users self-sanction by opting for other suppliers.



Source: SMC Research & Reuters



Source: SMC Research & Reuters

Outlook

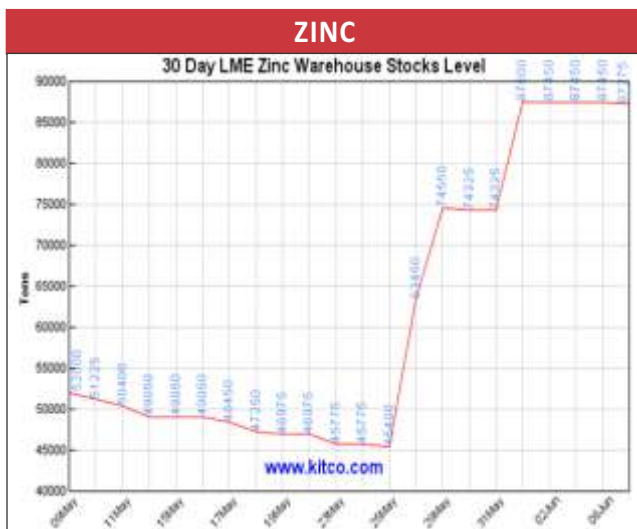
- Base metals prices may trade in different direction on mixed fundamentals the growing fear of global recession, tepid demand in top consumer China and improving supply may pressure the market while a weaker dollar and hopes of more stimulus to bolster economic growth in China may provide some support.
- Market participants expected to see a less tightened market this month, with some large-sized smelters resuming production after maintenance.
- China's copper imports slid 4.6% in May from a year ago, customs data showed, as soft demand amid a shaky economic recovery in the world's top metal consumer dampened buying appetite while domestic production remained high. Imports of unwrought copper and copper products totalled 444,010 tonnes in May, according to data from the General Administration of Customs.
- The global zinc market surplus climbed to 26,700 tonnes in March, from a surplus of 22,800 tonnes a month earlier, data from the International Lead and Zinc Study Group showed.

LEAD



Lead future at the MCX platform has settled little lower at 182.50 on the previous week. At present prices are trading near the daily 18 EMA levels of 183. The Momentum Oscillator Stochastic (14,3,3) is now witnessing positive divergence and also providing bullish 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 209.05 on the previous week. At present prices are trading below the daily 200 EMA levels 262.85 and below the weekly sloping trend line support levels of 240. As per the chart pattern bullish hammer pattern has observed in the last week. So we can expect the good rally if it sustains above 216 as per the chart pattern. Now the immediate support is seen around 204.50, If the price will sustain below the support levels of 204.50 then we can see further downside moves towards 190/175 and if it trades above the immediate resistance of 216 levels and sustain can see the upside move towards 240/255 respectively. But the view will be intact until the recent low, 204.50 is not interrupted.

SMC COMMODITY RESEARCH DESK



Corporate Office:
 11/6B, Shanti Chamber,
 Pusa Road, New Delhi - 110005
 Tel: +91-11-30111000
 www.smcindiaonline.com

Mumbai Office:
 Lotus Corporate Park, A Wing 401 / 402, 4th Floor,
 Graham Firth Steel Compound, Off Western
 Express Highway, Jay Coach Signal, Goreagon
 (East) Mumbai - 400063
 Tel: 91-22-67341600, Fax: 91-22-67341697

Kolkata Office:
 18, Rabindra Sarani, Poddar Court, Gate No-4,
 5th Floor, Kolkata - 700001
 Tel.: 033 6612 7000/033 4058 7000
 Fax: 033 6612 7004/033 4058 7004

Investments in securities market are subject to market risks, read all the related documents carefully before investing. Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. The securities quoted are for illustration only and are not recommendatory. SMC is a SEBI registered Research Analyst having registration number INH100001849. CIN : L74899DL1994PLC063609.

SMC Global Securities Ltd. (hereinafter referred to as "SMC") is regulated by the Securities and Exchange Board of India ("SEBI") and is licensed to carry on the business of broking, depository services and related activities. SMC is a registered member of National Stock Exchange of India Limited, Bombay Stock Exchange Limited, MSEI (Metropolitan Stock Exchange of India Ltd.) and M/s SMC Comtrade Ltd is a registered member of National Commodity and Derivative Exchange Limited and Multi Commodity Exchanges of India and other commodity exchanges in India. SMC is also registered as a Depository Participant with CDSL and NSDL. SMC's other associates are registered as Merchant Bankers, Portfolio Managers, NBFC with SEBI and Reserve Bank of India. It also has registration with AMFI as a Mutual Fund Distributor.

SMC is a SEBI registered Research Analyst having registration number INH100001849. SMC or its associates has not been debarred/ suspended by SEBI or any other regulatory authority for accessing /dealing in securities/commodities market.

The views expressed by the Research Analyst in this Report are based solely on information available publicly available/internal data/ other reliable sources believed to be true. SMC does not represent/ provide any warranty expressly or impliedly to the accuracy, contents or views expressed herein and investors are advised to independently evaluate the market conditions/risks involved before making any investment decision. The research analysts who have prepared this Report hereby certify that the views/opinions expressed in this Report are their personal independent views/opinions in respect of the subject commodity.

DISCLAIMER: This Research Report is for the personal information of the authorized recipient and doesn't construe to be any investment, legal or taxation advice to the investor. It is only for private circulation and use. The Research Report is based upon information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as such. No action is solicited on the basis of the contents of this Research Report. The Research Report should not be reproduced or redistributed to any other person(s) in any form without prior written permission of the SMC. The contents of this material are general and are neither comprehensive nor inclusive. Neither SMC nor any of its affiliates, associates, representatives, directors or employees shall be responsible for any loss or damage that may arise to any person due to any action taken on the basis of this Research Report. It does not constitute personal recommendations or take into account the particular investment objectives, financial situations or needs of an individual client or a corporate/s or any entity/s. All investments involve risk and past performance doesn't guarantee future results. The value of, and income from investments may vary because of the changes in the macro and micro factors given at a certain period of time. The person should use his/her own judgment while taking investment decisions.

Please note that SMC its affiliates, Research Analyst, officers, directors, and employees, including persons involved in the preparation or issuance if this Research Report: (a) from time to time, may have long or short positions in, and buy or sell the commodity thereof, mentioned here in or (b) be engaged in any other transaction involving such commodities and earn brokerage or other compensation or act as a market maker in the commodities discussed herein(c) may have any other potential conflict of interest with respect to any recommendation and related information and opinions. All disputes shall be subject to the exclusive jurisdiction of Delhi High court. All disputes shall be subject to the exclusive jurisdiction of Delhi High court.