

Special Monthly Report on

# BASE METALS

MARCH 2023

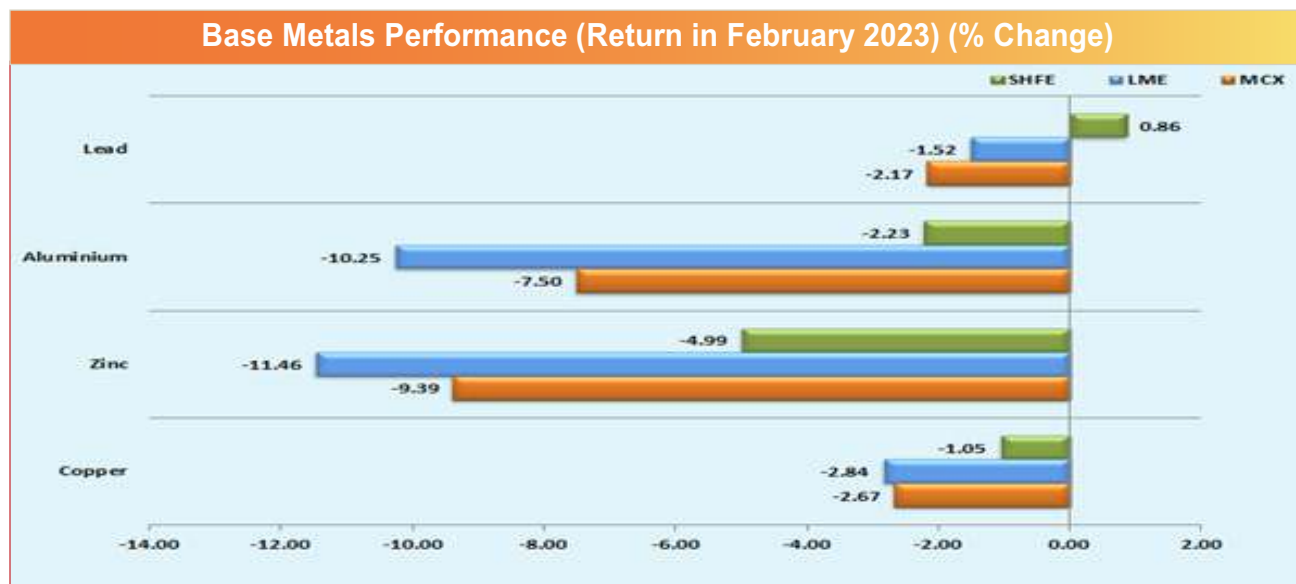


• ALUMINIUM • COPPER • LEAD • ZINC

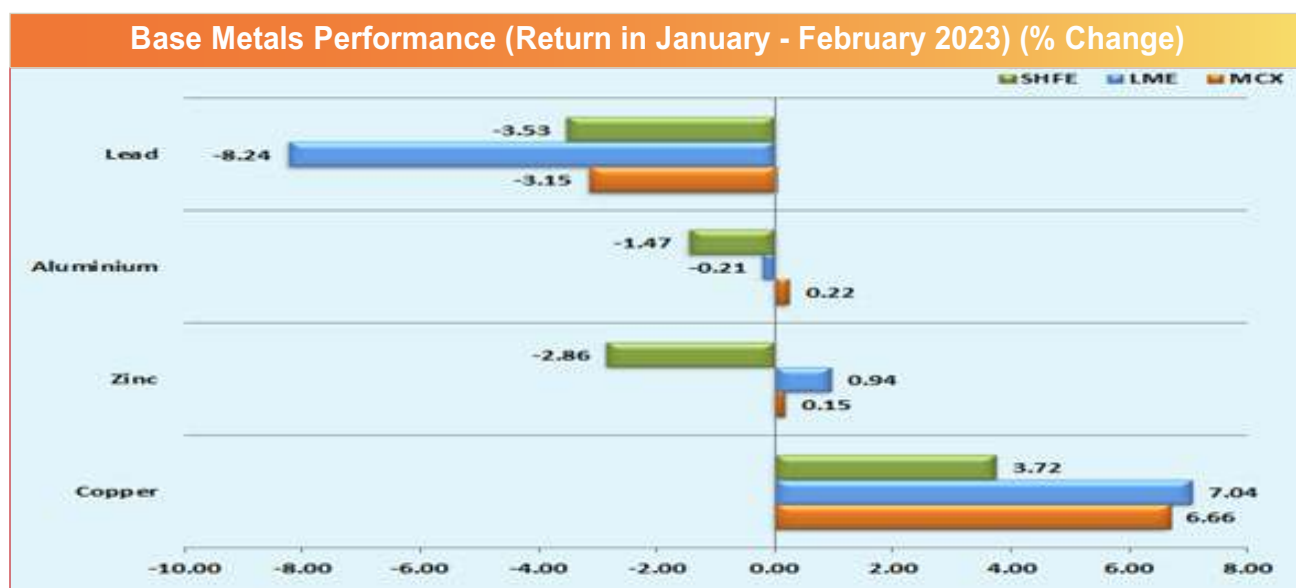


Moneywise. Be wise.

In February 2023, Industrial metals traded lower. Copper prices posted their first monthly drop in four, weighed down by a firmer U.S. dollar and as demand from top consumer China remained subdued. Dollar remained firm after a fresh set of data indicated the Federal Reserve will keep interest rates higher for longer, and concerns grew the United States may impose more sanctions on China. Meanwhile, concerns about global supply eased. The Panamanian government and Canada's First Quantum are nearing an agreement on their negotiations over the contract to operate a major copper mine. Global copper smelting activity declined in February despite a further rebound in activity in top refined metal producer China, data from satellite surveillance of metal processing plants showed. However, the prices got some support on hopes that Chinese demand would rebound after the country abandoned COVID-19 controls.



Source: SMC Research & Reuters



Source: SMC Research & Reuters

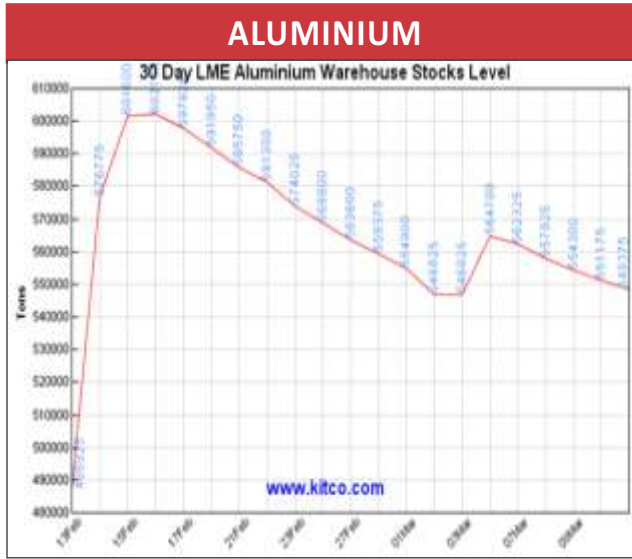
## Outlook

- Base metals prices may trade in different direction on mixed fundamentals. The overall outlook for metals demand globally remained grim, as central banks around the world tightened their monetary policy to curb rising inflation. Worries over global economic growth further clouded metals' demand, outweighing supply concerns spurred by production cuts in Europe.
- Concerns over subdued demand from China following the end to COVID-19 restrictions keep weighing on the metals complex
- In China, signs of improving copper demand have emerged. SHFE copper inventories declined for the second straight week to hit their lowest since Jan. 20 by the end of last week, while the premium for domestic copper climbed to 95 yuan a tonne on March 10, 2023, the highest since Jan. 16.
- Shanghai Metal Market (SMM) News said the supply of lead concentrates in 2023 is expected to increase with the pandemic subsiding and the commissioning of other mining projects that also contain lead ore.
- Global demand for the refined lead metal is expected to exceed supply by 42,000 tonnes this year.
- Australian mining firm Rio Tinto Ltd said it commenced underground production at its Oyu Tolgoi copper mine in Mongolia. The mine is expected to produce around 500,000 tonnes of copper per year, on average, from 2028 to 2036.

**BASE METAL MONTHLY TECHNICAL REPORT**

**ALUMINIUM**

**ALUMINIUM**



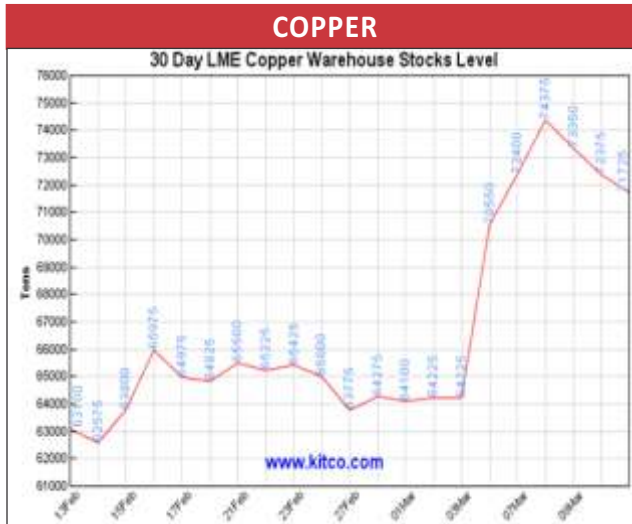
**MCX Aluminium Weekly Chart**



Aluminium Future at the MCX platform has settled lower at 204.30 on last week. From the of 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 22 days moving averages of 210.50. The short term immediate resistance is seen around 215, sustainable trade above 215 can see the upside move towards 230/245 and if it breaks the support line of 202, 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**

**COPPER**



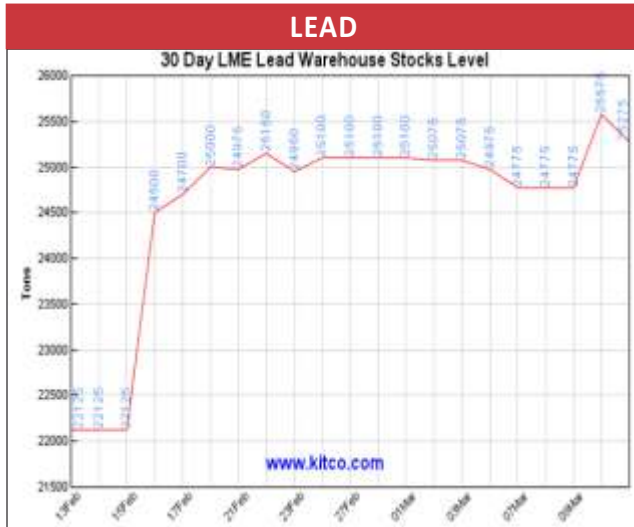
**Technical - Weekly Chart of Copper (MCX)**



Copper futures at the MCX platform has settled lower at 752.65 on the previous week from the previous closing price of 756.65. The prices have been well sustained above the weekly trend line resistance of 745. Now the immediate resistance is seen around 791. If the price will sustains above 791 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 182.25 on the previous week. At present prices are trading below the daily 18 EMA levels of 183.25. 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 260.20 on the previous week. At present prices are trading below the daily 200 EMA levels 285.55 and below the weekly sloping trend line support levels of 276. Now the immediate support is seen around 256.50, If the price will sustain below the support levels of 256.50 then we can see further downside move towards 245/230 and if it trades above the immediate resistance of 270 levels and sustain can see the upside move towards 295/315 respectively. But the view will be intact until the recent low 256.50 is not interrupted.

**For any queries, Contact:**  
Commodity Research Desk  
Tel: +91-11-30111000, Ext: 683,684,625,630

SMC Research also available on Reuters

E-mail: [smc.care@smcindiaonline.com](mailto:smc.care@smcindiaonline.com)



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

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 of 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.