

# Daily Commodity Analysis Report

Tuesday, February 7, 2023  
Tuesday



## MARKET MOVEMENT

| Commodity   | Unit          | Last     | % Cng | Weekly | Monthly | YTD    | Yearly | 50DMA | 100DMA | 200DMA |
|-------------|---------------|----------|-------|--------|---------|--------|--------|-------|--------|--------|
| Gold        | 1 Kg          | 56955.00 | 0.65  | -0.48  | 1.90    | 2.85   | 18.09  | BUY   | BUY    | BUY    |
| Silver      | 30 Kg         | 67399.00 | -0.26 | -1.10  | -3.35   | -2.65  | 11.27  | SELL  | BUY    | BUY    |
| \$Gold      | 100 Tr. Oz    | 1873.95  | 0.22  | -3.24  | 1.38    | 2.27   | 3.35   | BUY   | BUY    | BUY    |
| \$ Silver   | 5000 Tr. Oz   | 22.36    | 0.49  | -5.23  | -6.88   | -6.73  | -0.27  | SELL  | BUY    | BUY    |
| Crude       | 100 BBL       | 6131.00  | 0.56  | -6.29  | -5.84   | -6.99  | -8.19  | SELL  | SELL   | SELL   |
| Nat.Gas     | 1250 mmBtu    | 200.90   | -0.2  | -14.96 | -40.04  | -46.72 | -45.49 | SELL  | SELL   | SELL   |
| \$ Crude    | 1,000 Barrels | 74.11    | 0.98  | -6.01  | 2.39    | -9.13  | 8.60   | SELL  | SELL   | SELL   |
| \$ Nat. Gas | 10000 mmBtu   | 2.46     | 1.95  | -14.96 | -40.04  | -46.72 | -45.49 | SELL  | SELL   | SELL   |
| Aluminium   | 5MT           | 221.55   | -0.78 | -0.87  | 8.93    | 7.10   | -8.16  | BUY   | BUY    | BUY    |
| Copper      | 2500Kg        | 770.30   | -0.14 | -1.55  | 7.87    | 7.33   | 2.31   | BUY   | BUY    | BUY    |
| Lead        | 5MT           | 184.80   | 0.46  | -1.87  | -3.03   | -2.57  | 0.35   | SELL  | BUY    | BUY    |
| Zinc        | 5MT           | 277.60   | -2.55 | -4.68  | 5.83    | 6.29   | -4.22  | BUY   | BUY    | SELL   |
| LME Alum    | 25 Tonnes     | 2549.50  | 0.22  | -3.17  | 13.67   | -8.85  | -15.48 | BUY   | BUY    | BUY    |
| LME Copp    | 25,000 Lbs.   | 8930.00  | 0.34  | -4.44  | 5.76    | -7.15  | -9.14  | BUY   | BUY    | BUY    |
| LME Lead    | 5 Tonnes      | 2111.50  | 0.55  | -2.62  | -5.06   | -8.00  | -4.99  | SELL  | SELL   | SELL   |
| LME Nickel  | 250 Kg        | 27175.00 | -4.52 | -2.18  | 1.66    | 38.80  | 24.61  | SELL  | BUY    | BUY    |
| LME Zinc    | 5 Tonnes      | 3163.00  | 1.35  | -7.30  | 6.76    | -8.73  | -10.82 | BUY   | BUY    | SELL   |

Note:

\* 50DMA - If prices trading above 50DMA "BUY" Signal is shown

\* 100DMA - If prices trading above 50DMA "BUY" Signal is shown

\* 200DMA - If prices trading above 50DMA "BUY" Signal is shown

\* 50DMA - If prices trading below 50DMA "SELL" Signal is shown

\* 100DMA - If prices trading below 50DMA "SELL" Signal is shown

\* 200DMA - If prices trading below 50DMA "SELL" Signal is shown

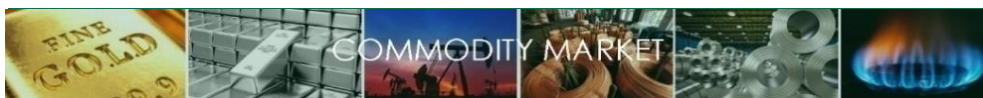
\* Domestic Rates are as per closing basis and International rates are as per 8.30am

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### Currency Snapshot

| Currency     | Last   | % Cng |   |
|--------------|--------|-------|---|
| USDINR       | 82.84  | 1.00  | ▲ |
| EURINR       | 89.23  | -0.53 | ▼ |
| GBPINR       | 99.69  | -0.81 | ▼ |
| JPYINR       | 62.87  | -1.84 | ▼ |
| EURUSD       | 1.0740 | 0.13  | ▲ |
| GBPUSD       | 1.2052 | 0.26  | ▲ |
| USDJPY       | 132.28 | -0.24 | ▼ |
| Dollar Index | 103.45 | -0.17 | ▼ |

### Open Interest Snapshot

| Commodity | Last     | OI    | % Cng  | Status           |
|-----------|----------|-------|--------|------------------|
| Gold      | 56955.00 | 17210 | 0.18   | Fresh Buying     |
| Silver    | 67399.00 | 14352 | -0.03  | Long Liquidation |
| Crude     | 6131.00  | 8905  | -11.59 | Short Covering   |
| Nat.Gas   | 200.90   | 40948 | -3.03  | Long Liquidation |
| Aluminium | 221.55   | 3740  | -6.59  | Long Liquidation |
| Copper    | 770.30   | 4038  | 0.45   | Fresh Selling    |
| Lead      | 184.80   | 635   | -3.2   | Short Covering   |
| Zinc      | 277.60   | 2387  | 2.67   | Fresh Selling    |

### Indices Snapshot

| Indices  | Last     | Change |   |
|----------|----------|--------|---|
| NIFTY    | 17764.60 | -0.50  | ▼ |
| SENSEX   | 60506.90 | -0.55  | ▼ |
| HANGSENG | 21202.92 | -2.11  | ▼ |
| NIKKEI   | 27693.65 | 0.67   | ▲ |
| STRAITS  | 3377.49  | -0.20  | ▼ |
| CAC 40   | 7134.92  | -1.37  | ▼ |
| DAX      | 15311.39 | -1.07  | ▼ |
| DJIA     | 33685.17 | -0.71  | ▼ |
| NASDAQ   | 11853.63 | -1.28  | ▼ |
| JAKARTA  | 6857.14  | -0.79  | ▼ |
| KOSPI    | 2438.19  | 1.79   | ▲ |

### Calendar Spreads Snapshot

| Commodity | Near Month | Next Month | Spread  | P. Spread | Change |
|-----------|------------|------------|---------|-----------|--------|
| Gold      | 56955.00   | 57249.00   | 294.00  | 299.00    | -5.00  |
| Silver    | 67399.00   | 68742.00   | 1343.00 | 1339.00   | 4.00   |
| Crude     | 6131.00    | 6185.00    | 54.00   | 62.00     | -8.00  |
| Nat.Gas   | 200.90     | 212.80     | 11.90   | 11.50     | 0.40   |
| Aluminium | 221.55     | 223.25     | 1.70    | 1.60      | 0.10   |
| Copper    | 770.30     | 766.60     | -3.70   | -3.05     | -0.65  |
| Lead      | 184.80     | 185.15     | 0.35    | 0.70      | -0.35  |
| Zinc      | 277.60     | 278.80     | 1.20    | 1.30      | -0.10  |

### LME Stock Snapshot

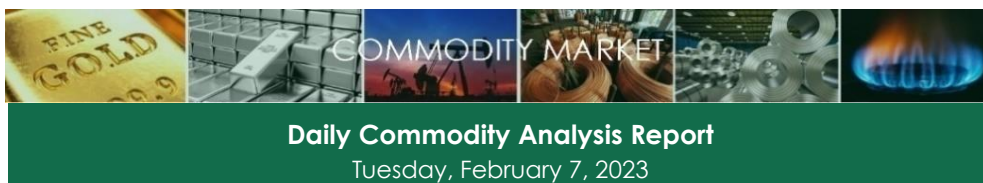
| Commodity     | Stock  | Cng   |
|---------------|--------|-------|
| LME Aluminium | 392200 | 37150 |
| LME Copper    | 67450  | -2550 |
| LME Lead      | 20200  | 275   |
| LME Nickel    | 49728  | 666   |
| LME Zinc      | 16225  | -150  |

### Commodity Ratio Snapshot

| Commodity             | Annual |        |        |        |
|-----------------------|--------|--------|--------|--------|
|                       | Close  | Max    | Min    | Avg    |
| Gold / Silver Ratio   | 84.50  | 95.85  | 74.38  | 83.30  |
| Gold / Crude Ratio    | 9.29   | 9.35   | 5.31   | 7.26   |
| Gold / Copper Ratio   | 73.94  | 81.29  | 61.71  | 72.24  |
| Silver / Crude Ratio  | 10.99  | 11.66  | 6.30   | 8.76   |
| Silver / Copper Ratio | 87.50  | 98.40  | 77.99  | 86.72  |
| Zinc / Lead Ratio     | 150.22 | 201.88 | 139.86 | 161.09 |
| Crude / Nat.Gas Ratio | 30.52  | 30.40  | 9.24   | 16.06  |

### Economical Data

| Time      | Currency | Data                             | Fcst   | Prev    |
|-----------|----------|----------------------------------|--------|---------|
| Tentative | USD      | Loan Officer Survey              |        |         |
| 5:31am    | GBP      | BRC Retail Sales Monitor y/y     | 0.039  | 0.065   |
| Tentative | USD      | President Biden Speaks           |        |         |
| 12:30pm   | EUR      | German Industrial Production m/m | -0.007 | 0.002   |
| 12:30pm   | GBP      | Halifax HPI m/m                  | -0.008 | -0.015  |
| 1:15pm    | EUR      | French Trade Balance             | -12.2B | -13.8B  |
| 2:30pm    | GBP      | MPC Member Ramsden Speaks        |        |         |
| Tentative | EUR      | French Gov Budget Balance        |        | -159.3B |
| 7:00pm    | USD      | Trade Balance                    | -68.5B | -61.5B  |
| 8:30pm    | GBP      | MPC Member Cunliffe Speaks       |        |         |



| Commodity Market Daily Trading Levels |          |           |           |           |             |          |          |          |          |
|---------------------------------------|----------|-----------|-----------|-----------|-------------|----------|----------|----------|----------|
| Commodity                             | Close    | Support 3 | Support 2 | Support 1 | Pivot Point | Resist 1 | Resist 2 | Resist 3 | Trend    |
| Gold                                  | 56955.00 | 56106.00  | 56372.00  | 56663.00  | 56929.00    | 57220.00 | 57486.00 | 57777.00 | Positive |
| Silver                                | 67399.00 | 66186.00  | 66743.00  | 67071.00  | 67628.00    | 67956.00 | 68513.00 | 68841.00 | Negative |
| \$ Gold                               | 1867.71  | 1860.60   | 1863.30   | 1868.70   | 1871.40     | 1876.80  | 1879.50  | 1884.90  | Positive |
| \$ Silver                             | 22.27    | 22.00     | 22.10     | 22.20     | 22.30       | 22.40    | 22.50    | 22.60    | Negative |
| Crude oil                             | 6131.00  | 5875.00   | 5941.00   | 6036.00   | 6102.00     | 6197.00  | 6263.00  | 6358.00  | Positive |
| Natural Gas                           | 200.90   | 189.40    | 194.20    | 197.60    | 202.40      | 205.80   | 210.60   | 214.00   | Negative |
| \$ Crude oil                          | 74.11    | 73.75     | 73.40     | 73.75     | 73.40       | 73.75    | 73.40    | 73.75    | Positive |
| \$ Natural Gas                        | 2.4570   | 2.2463    | 2.3057    | 2.3813    | 2.4407      | 2.5163   | 2.5757   | 2.6513   | Negative |
| Aluminium                             | 221.55   | 212.40    | 215.80    | 218.70    | 222.10      | 225.00   | 228.40   | 231.30   | Negative |
| Copper                                | 770.30   | 753.20    | 758.20    | 764.30    | 769.30      | 775.40   | 780.40   | 786.50   | Negative |
| Lead                                  | 184.80   | 181.40    | 182.40    | 183.70    | 184.70      | 186.00   | 187.00   | 188.30   | Positive |
| Zinc                                  | 277.60   | 263.90    | 269.80    | 273.70    | 279.60      | 283.50   | 289.40   | 293.30   | Negative |
| LME Aluminium                         | 2544.00  | 2421.00   | 2462.00   | 2503.00   | 2544.00     | 2585.00  | 2626.00  | 2667.00  | Negative |
| LME Copper                            | 8899.50  | 8639.67   | 8723.83   | 8811.67   | 8895.83     | 8983.67  | 9067.83  | 9155.67  | Negative |
| LME Lead                              | 2100.00  | 2013.50   | 2048.00   | 2074.00   | 2108.50     | 2134.50  | 2169.00  | 2195.00  | Positive |
| LME Nickel                            | 28460.00 | 25953.33  | 26456.67  | 27458.33  | 27961.67    | 28963.33 | 29466.67 | 30468.33 | Negative |
| LME Zinc                              | 3121.00  | 2943.83   | 3025.67   | 3073.33   | 3155.17     | 3202.83  | 3284.67  | 3332.33  | Negative |

#### Latest News Update

U.S. job growth accelerated sharply in January amid a persistently resilient labor market, but a further moderation in wage gains should give the Federal Reserve some comfort in its fight against inflation. The Labor Department's closely watched employment report's survey of establishments showed that nonfarm payrolls surged 517,000 jobs last month. Data for December was revised higher to show 260,000 jobs added instead of the previously reported 223,000. Average hourly earnings rose 0.3% after gaining 0.4% in December. That lowered the year-on-year increase in wages to 4.4% from 4.8% in December. Economists polled by Reuters had forecast payrolls increasing by 185,000 jobs and wages advancing 4.3% year-on-year. Payrolls forecasts ranged from an increase of 125,000 to 305,000. The BLS revised their industry classification system, which resulted in about 10% of employment reclassified into different industries. It also incorporated new population estimates in the household survey, from which the unemployment rate is derived.

The Federal Reserve is likely to deliver at least two more interest-rate hikes, taking the benchmark rate to above 5%, before monetary policy will be sufficiently restrictive to bridle an unexpectedly strong labor market that is contributing to high inflation. That was the read from traders of interest-rate futures on Friday after the U.S. Labor Department reported employers added more than half a million jobs last month, far more than expected. Prices in those contracts fell sharply, and now reflect a better than even chance that the Fed will keep raising interest rates to the 5%-5.25% range by June, if not by May. The Fed earlier this week increased the rate by a quarter-of-a-percentage-point to 4.5%-4.75%, and said it expects to deliver "ongoing" increases. Financial markets though heard a more dovish message and had been betting there would be just one more rate hike in the offing, in March, before a pause.

### MCX GOLD

#### Technical Chart



| Open     | High     | Low      | Close    | Net Cng |
|----------|----------|----------|----------|---------|
| 56638.00 | 57195.00 | 56638.00 | 56955.00 | 370.00  |
| OI       | % OI     | Volume   | Trend    | % Cng   |
| 17210.00 | 0.18     | 5467.00  | Positive | 0.65    |

#### Fundamentals

Gold yesterday settled up by 0.65% at 56955 betting on firm safe-haven demand as recession risks linger and with expectations of smaller U.S. interest rate hikes. Concerns over a slowdown remain, and this is likely to keep demand for gold, considered a safe store of value during uncertain times, on a firm footing this year. Interest-rate futures traders moved after Friday's job report to price in a further interest-rate increase in May, which would bring the policy rate to the 5%-5.25% range, and are now expecting eventual Fed rate cuts to start in November versus in September previously. Data showed U.S. services industry activity rebounded strongly in January, with new orders recovering and prices paid by businesses for materials continuing to rise at a moderate pace. Physical gold demand in India ticked up last week, as jewellers resumed purchases after staying away for a couple of weeks hoping for an import duty cut in the government budget amid the wedding season. Venezuela's central bank's gold reserves dropped 13% to a new 50-year low last year, falling 10 tonnes in 2022. The number of gold bars in the bank's vaults in Caracas sank to an equivalent of 69 tonnes at the end of December 2022. Technically market is under fresh buying as the market has witnessed a gain in open interest by 0.18% to settle at 17210 while prices are up 370 rupees, now Gold is getting support at 56663 and below same could see a test of 56372 levels, and resistance is now likely to be seen at 57220, a move above could see prices testing 57486.

#### Trading Idea for the day

Gold trading range for the day is 56372-57486.

Gold regained betting on firm safe-haven demand as recession risks linger and with expectations of smaller U.S. interest rate hikes.

Concerns over a slowdown remain, and this is likely to keep demand for gold, considered a safe store of value during uncertain times, on a firm footing this year

Data showed U.S. job growth accelerated sharply last month

### MCX SILVER

#### Technical Chart



| Open     | High     | Low      | Close    | Net Cng |
|----------|----------|----------|----------|---------|
| 67776.00 | 68185.00 | 67300.00 | 67399.00 | -177.00 |
| OI       | % OI     | Volume   | Trend    | % Cng   |
| 14352.00 | -0.03    | 13473.00 | Negative | -0.26   |

#### Fundamentals

Silver yesterday settled down by -0.26% at 67399 amid concerns that the Federal Reserve might keep hiking interest rates to cool inflation. The dollar index held near a three-week high as a blockbuster U.S. jobs report and upbeat service sector data revived worries about the interest-rate outlook. Non-farm payroll employment soared by 517,000 jobs in January while economists had expected an increase of 185,000 jobs. The jobless rate slipped to a multi-decade low of 3.4 percent from 3.5 percent. U.S. service industries returned to growth in January but there were signs that pricing pressures may be easing. Also boosting the safe-haven dollar was escalating tensions between the United States and China. The Biden administration decided to postpone Secretary of State Antony Blinken's upcoming trip to China in response to the Pentagon's discovery of an alleged Chinese spy balloon, that was later shot down. At the same, recession concerns pressured prices further, as investors worried about low demand for the metal as an industrial input for goods with high electricity conduction needs, which was reflected in its sharp underperformance to gold in January. Still, projections of weak supply limited the fall, as COMEX inventories remained under pressure and LBMA stockpiles plunged amid outflows to India. Technically market is under long liquidation as the market has witnessed a drop in open interest by -0.03% to settle at 14352 while prices are down -177 rupees, now Silver is getting support at 67071 and below same could see a test of 66743 levels, and resistance is now likely to be seen at 67956, a move above could see prices testing 68513.

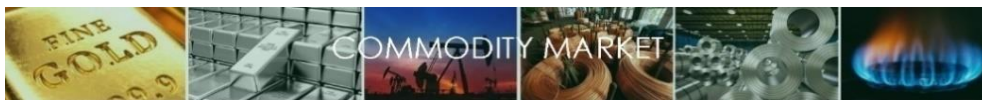
#### Trading Idea for the day

Silver trading range for the day is 66743-68513.

Silver remained in range amid concerns that the Federal Reserve might keep hiking interest rates to cool inflation.

Dollar index held near a three-week high after a blockbuster U.S. jobs report and upbeat service sector data

Non-farm payroll employment soared by 517,000 jobs in January



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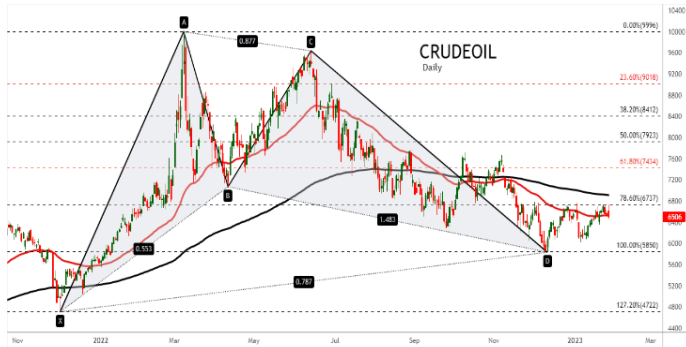
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### MCX CRUDEOIL

#### Technical Chart



| Open    | High    | Low      | Close    | Net Cng |
|---------|---------|----------|----------|---------|
| 6096.00 | 6168.00 | 6007.00  | 6131.00  | 34.00   |
| OI      | % OI    | Volume   | Trend    | % Cng   |
| 8905.00 | -11.59  | 40649.00 | Positive | 0.56    |

#### Fundamentals

Crude oil yesterday settled up by 0.56% at 6131 after IEA Executive Director Fatih Birol said that China's economy could be poised for a stronger-than-anticipated rebound that will boost demand for crude. Oil producers may have to reconsider their output policies following a demand recovery in China, the world's second-largest oil consumer, the International Energy Agency's Executive Director Fatih Birol said. China, the world's largest crude importer and No. 2 buyer of liquefied natural gas, has become the biggest uncertain factor in global oil and gas markets in 2023 as investors bet on the speed of its recovery after Beijing lifted COVID restrictions in December. Also, operations at the Ceyhan oil terminal in southern Turkey were suspended as a precaution after a 7.8 magnitude earthquake hit the country and Syria. However, no damages to the pipeline were reported. At the same time, Saudi Arabia raised the crude price for Asian markets for the first time in six months. Prices were also increased to Northern and Southern Europe and the US. Meanwhile, the European ban on seaborne imports and price caps for Russian oil products also came into effect on Sunday. Iraq produced 4.33 million barrels per day (bpd) of crude in January, down by 100,000 bpd from the previous month. Technically market is under short covering as the market has witnessed a drop in open interest by -11.59% to settle at 8905 while prices are up 34 rupees, now Crude oil is getting support at 6036 and below same could see a test of 5941 levels, and resistance is now likely to be seen at 6197, a move above could see prices testing 6263.

#### Trading Idea for the day

Crude oil trading range for the day is 5941-6263.

Crude oil gains after IEA Executive Director Fatih Birol said that China's economy could be poised for a stronger-than-anticipated rebound

Saudi Arabia raised the crude price for Asian markets for the first time in six months.

The European ban on seaborne imports and price caps for Russian oil products also came into effect on Sunday.

### MCX NATURALGAS

#### Technical Chart



| Open     | High   | Low      | Close    | Net Cng |
|----------|--------|----------|----------|---------|
| 203.50   | 207.20 | 199.00   | 200.90   | -0.40   |
| OI       | % OI   | Volume   | Trend    | % Cng   |
| 40948.00 | -3.03  | 70433.00 | Negative | -0.20   |

#### Fundamentals

Nat.Gas yesterday settled down by -0.2% at 200.9 as prices remained in range as warmer weather next week is expected to further impact the demand. Federal regulators approved Freeport's plan to start sending gas to one of the plant's three liquefaction trains, which turn gas into LNG. The energy market expects gas prices to rise once the plant starts pulling in large amounts of gas. Freeport can turn about 2.1 billion cubic feet (bcf) of gas into LNG each day. That is about 2% of total U.S. daily gas production. Gas prices were also supported by this week's roughly 3.7 billion cubic feet per day (bcfd) drop in gas output to a one-month low of 93.9 bcfd as winter storms freeze oil and gas wells – known as freeze-offs – in several states, including Texas, Oklahoma, New Mexico and Pennsylvania. Meteorologists forecast temperatures across much of the U.S. Lower 48 states would remain below normal through Feb. 4 before rising to mostly above-normal levels from Feb. 5 through at least Feb. 17. Those above normal levels, however, were lower than previously expected. Technically market is under long liquidation as the market has witnessed a drop in open interest by -3.03% to settle at 40948 while prices are down -0.4 rupees, now Natural gas is getting support at 197.6 and below same could see a test of 194.2 levels, and resistance is now likely to be seen at 205.8, a move above could see prices testing 210.6.

#### Trading Idea for the day

Natural gas trading range for the day is 194.2-210.6.

Natural gas remained in range as warmer weather next week is expected to further impact the demand.

Federal regulators approved Freeport's plan to start sending gas to one of the plant's three liquefaction trains

However, downside seen limited amid roughly 3.7 bcfd drop in gas output to a one-month low of 93.9 bcfd



### MCX COPPER

#### Technical Chart



| Open    | High   | Low     | Close    | Net Cng |
|---------|--------|---------|----------|---------|
| 764.00  | 774.35 | 763.25  | 770.30   | -1.10   |
| OI      | % OI   | Volume  | Trend    | % Cng   |
| 4038.00 | 0.45   | 7022.00 | Negative | -0.14   |

#### Fundamentals

Copper yesterday settled down by -0.14% at 770.3 as demand concerns and a firmer dollar more than offset supply disruptions. The latest data pointed to a bigger-than-usual inventory build-up in China over the Lunar New Year holiday despite subdued imports, raising concerns about demand. Copper inventories in SHFE warehouses jumped by 61.8% since January 20 to 226,509 tonnes on February 3. On the supply side, the Las Bambas mine in Peru officially halted production on February 1st. The copper mine accounts for 2% of the metal worldwide and had been operating at a reduced rate since December 7, after Congress removed and arrested President Castillo. The Caixin China General Services PMI increased to 52.9 in January 2023 from 48.0 in December. This was the first expansion in the service sector since last August supported by a rebound in business activity and new work, amid lifting Covid-zero policies and a recovery in customer demand. Both activity and new work increased for the first time in 5 months. The Caixin China General Composite PMI climbed to 51.1 in January 2023 from 48.3 in the previous month. This was the first growth in private sector activity since last August, buoyed by the removal of tough pandemic measures. Technically market is under fresh selling as the market has witnessed a gain in open interest by 0.45% to settle at 4038 while prices are down -1.1 rupees, now Copper is getting support at 764.3 and below same could see a test of 758.2 levels, and resistance is now likely to be seen at 775.4, a move above could see prices testing 780.4.

#### Trading Idea for the day

Copper trading range for the day is 758.2-780.4.

Copper fell as demand concerns and a firmer dollar more than offset supply disruptions.

The latest data pointed to a bigger-than-usual inventory build-up in China over the Lunar New Year holiday despite subdued imports.

Copper inventories in SHFE warehouses jumped by 61.8% since January 20 to 226,509 tonnes on February 3.

### MCX ZINC

#### Technical Chart



| Open    | High   | Low     | Close    | Net Cng |
|---------|--------|---------|----------|---------|
| 284.35  | 285.50 | 275.70  | 277.60   | -7.25   |
| OI      | % OI   | Volume  | Trend    | % Cng   |
| 2387.00 | 2.67   | 5396.00 | Negative | -2.55   |

#### Fundamentals

Zinc yesterday settled down by -2.55% at 277.6 as investors fretted about a slow demand recovery in top consumer China and the U.S. dollar held firm. Citi Research economists said they believed a softer-than-anticipated China recovery and sustained manufacturing-sector weakness outside China would keep metals demand under pressure. China's refined zinc output was 620,000 mt in December 2022, up 4% year-on-year. On the one hand, a large zinc smelter in north-west China completed its annual production target ahead of schedule and controlled its output in December. Despite the above-mentioned output decline, the refined zinc production in December still climbed thanks to the full-capacity operation of smelters in Shaanxi and concentrated production resumption of smelters in Sichuan. LME zinc inventories remain on the decline despite a slower drop, according to LME data. LME zinc stocks hit a multiple-year low and currently stand at 17,425 mt. SHFE zinc inventories grew for four weeks on end, and stood at 44,248 mt, with a weekly gain of 26.07%, the highest in two and a half months. Data shows that the zinc ingot social inventories across seven major markets in China totalled 174,100 mt as of February 3, up 70,600 mt from a week ago and up 16,200 mt from this Monday (January 30). Technically market is under fresh selling as the market has witnessed a gain in open interest by 2.67% to settle at 2387 while prices are down -7.25 rupees, now Zinc is getting support at 273.7 and below same could see a test of 269.8 levels, and resistance is now likely to be seen at 283.5, a move above could see prices testing 289.4.

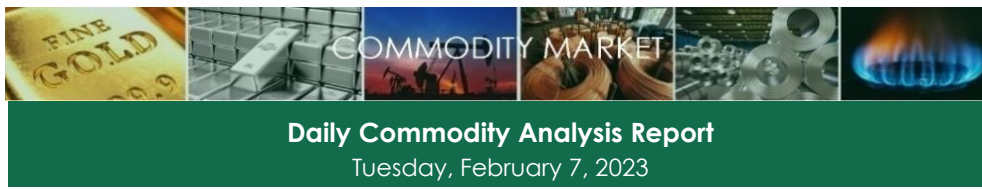
#### Trading Idea for the day

Zinc trading range for the day is 269.8-289.4.

Zinc dropped as investors fretted about a slow demand recovery in top consumer China and the U.S. dollar held firm.

China's refined zinc output was 620,000 mt in December 2022, up 4% year-on-year.

Data shows that the zinc ingot social inventories in China totalled 174,100 mt as of February 3, up 70,600 mt from a week ago



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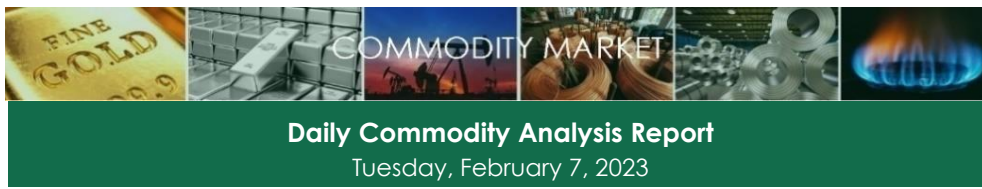
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