

# Daily Commodity Analysis Report

Monday, February 13, 2023  
Monday



## MARKET MOVEMENT

| Commodity   | Unit          | Last     | % Cng | Weekly | Monthly | YTD    | Yearly | 50DMA | 100DMA | 200DMA |
|-------------|---------------|----------|-------|--------|---------|--------|--------|-------|--------|--------|
| Gold        | 1 Kg          | 56741.00 | -0.20 | 0.28   | 1.85    | 3.13   | 15.90  | BUY   | BUY    | BUY    |
| Silver      | 30 Kg         | 66664.00 | -0.55 | -1.35  | -2.49   | -3.96  | 5.37   | SELL  | BUY    | BUY    |
| \$Gold      | 100 Tr. Oz    | 1861.15  | -0.24 | 0.01   | -0.61   | 2.28   | 2.12   | BUY   | BUY    | BUY    |
| \$ Silver   | 5000 Tr. Oz   | 21.902   | -0.25 | -1.64  | -6.81   | -8.25  | -5.20  | SELL  | BUY    | BUY    |
| Crude       | 100 BBL       | 6556.00  | 2.09  | 7.53   | 6.14    | 0.02   | -3.57  | BUY   | SELL   | SELL   |
| Nat.Gas     | 1250 mmBtu    | 208.20   | 0.05  | 3.43   | -30.85  | -44.89 | -30.55 | SELL  | SELL   | SELL   |
| \$ Crude    | 1,000 Barrels | 79.72    | 2.13  | -1.38  | 3.63    | -1.21  | 14.18  | SELL  | SELL   | SELL   |
| \$ Nat. Gas | 10000 mmBtu   | 2.51     | 3.46  | 3.43   | -30.85  | -44.89 | -30.55 | SELL  | SELL   | SELL   |
| Aluminium   | 5MT           | 215.55   | -1.62 | -3.47  | 2.11    | 3.38   | -17.21 | BUY   | BUY    | BUY    |
| Copper      | 2500Kg        | 766.40   | -1.22 | -0.65  | 1.23    | 6.64   | -2.41  | BUY   | BUY    | BUY    |
| Lead        | 5MT           | 184.45   | -0.51 | 0.27   | -2.20   | -2.30  | -0.57  | SELL  | BUY    | BUY    |
| Zinc        | 5MT           | 270.40   | -2.59 | -5.07  | -3.26   | 0.90   | -12.39 | SELL  | SELL   | SELL   |
| LME Alum    | 25 Tonnes     | 2458.50  | 0.43  | -6.04  | -4.34   | -13.04 | -24.40 | BUY   | BUY    | BUY    |
| LME Copp    | 25,000 Lbs.   | 8858.00  | 0.05  | -2.21  | -3.54   | -7.90  | -13.04 | BUY   | BUY    | BUY    |
| LME Lead    | 5 Tonnes      | 2087.00  | -0.19 | -2.29  | -4.61   | -8.55  | -8.29  | SELL  | SELL   | SELL   |
| LME Nickel  | 250 Kg        | 27450.00 | -5.83 | -5.34  | -1.29   | 33.87  | 17.31  | SELL  | BUY    | BUY    |
| LME Zinc    | 5 Tonnes      | 3042.00  | 0.53  | -8.86  | -7.02   | -14.10 | -17.86 | SELL  | SELL   | 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

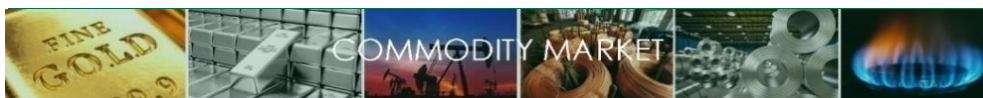
\* Domestic Rates are as per closing basis and International rates are as per 8.30am

SMIFS Limited

5F, Vaibhav, 4 Lee Road, Kolkata – 700020, India

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## Daily Commodity Analysis Report

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**SMIFS  
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LEGACY | TRUST | GROWTH

### Currency Snapshot

| Currency     | Last   | % Cng |   |
|--------------|--------|-------|---|
| USDINR       | 82.65  | 0.05  | ▲ |
| EURINR       | 88.51  | -0.57 | ▼ |
| GBPINR       | 100.09 | -0.20 | ▼ |
| JPYINR       | 63.23  | 0.01  | ▲ |
| EURUSD       | 1.0667 | -0.09 | ▼ |
| GBPUSD       | 1.2047 | -0.07 | ▼ |
| USDJPY       | 131.76 | 0.26  | ▲ |
| Dollar Index | 103.72 | 0.50  | ▲ |

### Open Interest Snapshot

| Commodity | Last     | OI    | % Cng  | Status           |
|-----------|----------|-------|--------|------------------|
| Gold      | 56741.00 | 15184 | -4.01  | Long Liquidation |
| Silver    | 66664.00 | 14104 | -1.14  | Long Liquidation |
| Crude     | 6556.00  | 6086  | 23.3   | Fresh Buying     |
| Nat.Gas   | 208.20   | 36069 | -3.55  | Short Covering   |
| Aluminium | 215.55   | 2977  | -11.79 | Long Liquidation |
| Copper    | 766.40   | 4136  | 7.68   | Fresh Selling    |
| Lead      | 184.45   | 722   | 13.34  | Fresh Selling    |
| Zinc      | 270.40   | 2578  | 16.02  | Fresh Selling    |

### Indices Snapshot

| Indices  | Last     | Change |   |
|----------|----------|--------|---|
| NIFTY    | 17856.50 | -0.21  | ▼ |
| SENSEX   | 60682.70 | -0.20  | ▼ |
| HANGSENG | 21194.60 | -1.99  | ▼ |
| NIKKEI   | 27670.98 | 0.31   | ▲ |
| STRAITS  | 3359.86  | 0.01   | ▲ |
| CAC 40   | 7140.28  | -0.67  | ▼ |
| DAX      | 15374.96 | -0.96  | ▼ |
| DJIA     | 33720.85 | 0.06   | ▲ |
| NASDAQ   | 11712.11 | -0.66  | ▼ |
| JAKARTA  | 6852.84  | -0.65  | ▼ |
| KOSPI    | 2469.73  | 3.11   | ▲ |

### Calendar Spreads Snapshot

| Commodity | Near Month | Next Month | Spread  | P. Spread | Change |
|-----------|------------|------------|---------|-----------|--------|
| Gold      | 56741.00   | 57075.00   | 334.00  | 311.00    | 23.00  |
| Silver    | 66664.00   | 68054.00   | 1390.00 | 1395.00   | -5.00  |
| Crude     | 6556.00    | 6585.00    | 29.00   | 45.00     | -16.00 |
| Nat.Gas   | 208.20     | 217.40     | 9.20    | 7.30      | 1.90   |
| Aluminium | 215.55     | 217.35     | 1.80    | 1.60      | 0.20   |
| Copper    | 766.40     | 766.15     | -0.25   | -2.70     | 2.45   |
| Lead      | 184.45     | 185.50     | 1.05    | 0.85      | 0.20   |
| Zinc      | 270.40     | 271.65     | 1.25    | 0.85      | 0.40   |

### LME Stock Snapshot

| Commodity     | Stock  | Cng    |
|---------------|--------|--------|
| LME Aluminium | 486925 | 104275 |
| LME Copper    | 63100  | -375   |
| LME Lead      | 22125  | 1975   |
| LME Nickel    | 48072  | 210    |
| LME Zinc      | 26250  | 4825   |

### Commodity Ratio Snapshot

| Commodity             | Annual |        |        |        |
|-----------------------|--------|--------|--------|--------|
|                       | Close  | Max    | Min    | Avg    |
| Gold / Silver Ratio   | 85.11  | 95.85  | 74.38  | 83.33  |
| Gold / Crude Ratio    | 8.65   | 9.36   | 5.31   | 7.29   |
| Gold / Copper Ratio   | 74.04  | 81.29  | 61.71  | 72.27  |
| Silver / Crude Ratio  | 10.17  | 11.66  | 6.30   | 8.79   |
| Silver / Copper Ratio | 86.98  | 98.40  | 77.99  | 86.72  |
| Zinc / Lead Ratio     | 146.60 | 201.88 | 139.86 | 160.88 |
| Crude / Nat.Gas Ratio | 31.49  | 32.45  | 9.24   | 16.34  |

### Economical Data

| Time    | Currency | Data                      | Fcst | Prev |
|---------|----------|---------------------------|------|------|
| All Day | EUR      | Eurogroup Meetings        |      |      |
| 6:30pm  | USD      | FOMC Member Bowman Speaks |      |      |

#### Commodity Market Daily Trading Levels

| Commodity      | Close    | Support 3 | Support 2 | Support 1 | Pivot Point | Resist 1 | Resist 2 | Resist 3 | Trend    |
|----------------|----------|-----------|-----------|-----------|-------------|----------|----------|----------|----------|
| Gold           | 56741.00 | 56168.00  | 56332.00  | 56537.00  | 56701.00    | 56906.00 | 57070.00 | 57275.00 | Negative |
| Silver         | 66664.00 | 65314.00  | 65786.00  | 66225.00  | 66697.00    | 67136.00 | 67608.00 | 68047.00 | Negative |
| \$ Gold        | 1865.58  | 1848.10   | 1852.50   | 1856.80   | 1861.20     | 1865.50  | 1869.90  | 1874.20  | Negative |
| \$ Silver      | 22.02    | 21.60     | 21.70     | 21.80     | 21.90       | 22.00    | 22.10    | 22.20    | Negative |
| Crude oil      | 6556.00  | 6204.00   | 6302.00   | 6429.00   | 6527.00     | 6654.00  | 6752.00  | 6879.00  | Positive |
| Natural Gas    | 208.20   | 191.80    | 196.40    | 202.30    | 206.90      | 212.80   | 217.40   | 223.30   | Positive |
| \$ Crude oil   | 79.72    | 79.32     | 78.93     | 79.32     | 78.93       | 79.32    | 78.93    | 79.32    | Positive |
| \$ Natural Gas | 2.5140   | 2.2407    | 2.3253    | 2.4197    | 2.5043      | 2.5987   | 2.6833   | 2.7777   | Positive |
| Aluminium      | 215.55   | 209.50    | 211.80    | 213.70    | 216.00      | 217.90   | 220.20   | 222.10   | Negative |
| Copper         | 766.40   | 752.40    | 758.50    | 762.50    | 768.60      | 772.60   | 778.70   | 782.70   | Negative |
| Lead           | 184.45   | 181.80    | 182.80    | 183.60    | 184.60      | 185.40   | 186.40   | 187.20   | Negative |
| Zinc           | 270.40   | 261.20    | 265.60    | 268.10    | 272.50      | 275.00   | 279.40   | 281.90   | Negative |
| LME Aluminium  | 2448.00  | 2330.00   | 2376.00   | 2412.00   | 2458.00     | 2494.00  | 2540.00  | 2576.00  | Negative |
| LME Copper     | 8854.00  | 8642.00   | 8740.00   | 8797.00   | 8895.00     | 8952.00  | 9050.00  | 9107.00  | Negative |
| LME Lead       | 2091.00  | 2014.50   | 2045.00   | 2068.00   | 2098.50     | 2121.50  | 2152.00  | 2175.00  | Negative |
| LME Nickel     | 29150.00 | 26210.00  | 26790.00  | 27970.00  | 28550.00    | 29730.00 | 30310.00 | 31490.00 | Positive |
| LME Zinc       | 3026.00  | 2869.00   | 2945.00   | 2985.50   | 3061.50     | 3102.00  | 3178.00  | 3218.50  | Negative |

#### Latest News Update

China's January factory gate prices fell more than economists expected, suggesting that flashes of domestic demand that had stoked consumer prices after the zero-COVID policy ended are not yet strong enough to rekindle upstream sectors. The producer price index (PPI) was down 0.8% on a year earlier, extending the 0.7% drop the prior month and faster than the 0.5% fall tipped in a poll, even though manufacturing activity returned to growth in January. The consumer price index (CPI) in January was 2.1% higher than a year earlier, up on the 1.8% annual gain seen in December, data from the National Bureau of Statistics (NBS) showed, but just shy of the 2.2% increase economists had predicted in a poll. CPI was boosted by a seasonal surge in spending over the Lunar New Year festival, with airfares, movie tickets, and travel prices up 20.3%, 10.7% and 9.3% respectively, according to NBS data. Policy insiders expect China to stick to an inflation target of around 3% this year, the same as last year.

Britain's economy showed zero growth in the final three months of 2022 - enough for it to avoid entering a recession for now - but faces tough prospects in 2023 as households continue to wrestle with double-digit inflation. Monthly gross domestic product data for December - when there were widespread strikes in the public sector, rail and postal services - showed a 0.5% contraction, the Office for National Statistics said, larger than the 0.3% forecast. Even so, Friday's figures will offer some relief to Prime Minister Rishi Sunak and his finance minister Jeremy Hunt, as they seek measures to spur a rebound in their upcoming annual budget on March 15. Output fell 0.2% in the three months to the end of September - when many businesses shut briefly to mark Queen Elizabeth's funeral - and another consecutive fall in output in the fourth quarter would have met Europe's usual definition of recession. The Bank of England forecast last week that Britain would enter a shallow but lengthy recession, starting in the first quarter of this year and lasting five quarters.

### MCX GOLD

#### Technical Chart



| Open     | High     | Low      | Close    | Net Cng |
|----------|----------|----------|----------|---------|
| 56760.00 | 56865.00 | 56496.00 | 56741.00 | -111.00 |
| OI       | % OI     | Volume   | Trend    | % Cng   |
| 15184.00 | -4.01    | 8489.00  | Negative | -0.20   |

#### Fundamentals

Gold yesterday settled down by -0.2% at 56741 as prospects of more interest rate hikes by the U.S. Federal Reserve dented bullion's appeal. Tight monetary policy is "unequivocally" slowing the U.S. economy, allowing the Federal Reserve to move "more deliberately" with any further interest rate increases, Richmond Fed President Thomas Barkin said. Data showed the number of Americans filing new claims for unemployment benefits increased more than expected last week, but remained at levels consistent with a tight labour market. Physical gold buyers in some Asian hubs were drawn to a dip in domestic prices, while central bank demand kept premiums firm in China. Demand from jewelers and retail consumers has improved because of the price correction. Dealers offered discounts of up to \$18 an ounce over official domestic prices, down from last week's \$48 discount. Dealers in top consumer China raised premiums to \$12-\$15 an ounce over global benchmark spot prices, from \$10-\$15 last week. The value of China's gold reserves rose to \$125.28 billion at end-January, from \$117.24 billion at end-December. Market participants are now expecting the Fed's target rate to peak at 5.153% in July, from a current range of 4.5% to 4.75%. Technically market is under long liquidation as the market has witnessed a drop in open interest by -4.01% to settle at 15184 while prices are down -111 rupees, now Gold is getting support at 56537 and below same could see a test of 56332 levels, and resistance is now likely to be seen at 56906, a move above could see prices testing 57070.

#### Trading Idea for the day

Gold trading range for the day is 56332-57070.

Gold remained under pressure as prospects of more interest rate hikes by the U.S. Federal Reserve dented bullion's appeal.

Data showed the number of Americans filing new claims for unemployment benefits increased more than expected last week.

Physical gold buyers in some Asian hubs were drawn to a dip in domestic prices, while central bank demand kept premiums firm in China.

### MCX SILVER

#### Technical Chart



| Open     | High     | Low      | Close    | Net Cng |
|----------|----------|----------|----------|---------|
| 66755.00 | 67169.00 | 66258.00 | 66664.00 | -366.00 |
| OI       | % OI     | Volume   | Trend    | % Cng   |
| 14104.00 | -1.14    | 15244.00 | Negative | -0.55   |

#### Fundamentals

Silver yesterday settled down by -0.55% at 66664 weighed down by hawkish signals from Federal Reserve officials who reiterated their commitment to bring down inflation with more rate increases. Those developments came on the heels of stronger-than-expected US jobs numbers which could fuel consumer spending that would maintain upward pressure on inflation. The dollar held firm and Treasury yields spiked after Richmond Fed President Thomas Barkin said it's important for the U.S. central bank to continue to raise rates to ensure it brings inflation back to the 2 percent target. The University of Michigan consumer sentiment for the US jumped to a thirteen-month high of 66.4 in February of 2023 from 64.9 in January, beating market forecasts of 65, preliminary estimates showed. The gauge for current economic conditions improved to 72.6 from 68.4 in the previous month, but the expectations subindex fell to 62.3 from 62.7. After three consecutive months of increases, sentiment is now 6% above a year ago but still 14% below two years ago, prior to the current inflationary episode. Meanwhile, inflation expectations for the year ahead went up to 4.2% from 3.9% while the five-year outlook remained steady at 2.9%. U.S. and British inflation readings, U.S. retail sales and industrial production data, and Japan GDP figures are due to be unveiled next week. Technically market is under long liquidation as the market has witnessed a drop in open interest by -1.14% to settle at 14104 while prices are down -366 rupees, now Silver is getting support at 66225 and below same could see a test of 65786 levels, and resistance is now likely to be seen at 67136, a move above could see prices testing 67608.

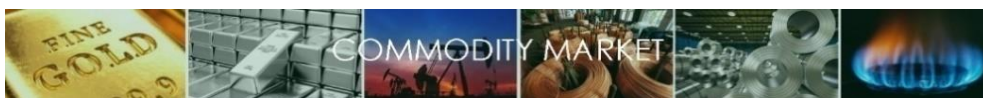
#### Trading Idea for the day

Silver trading range for the day is 65786-67608.

Silver dropped weighed down by hawkish signals from Fed officials who reiterated their commitment to bring down inflation with more rate increases.

Fed's Barkin said it's important for the U.S. central bank to continue to raise rates to ensure it brings inflation back to the 2 percent target.

Consumer sentiment for the US jumped to a thirteen-month high of 66.4 in February of 2023 from 64.9 in January



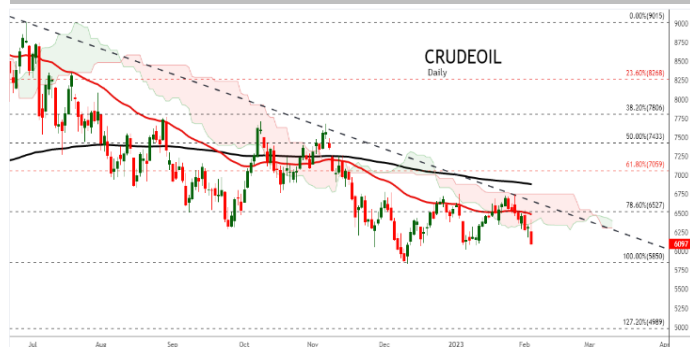
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## MCX CRUDEOIL

## Technical Chart



| Open    | High    | Low      | Close    | Net Cng |
|---------|---------|----------|----------|---------|
| 6436.00 | 6625.00 | 6400.00  | 6556.00  | 134.00  |
| OI      | % OI    | Volume   | Trend    | % Cng   |
| 6086.00 | 23.30   | 47951.00 | Positive | 2.09    |

## Fundamentals

Crude oil yesterday settled up by 2.09% at 6556 as Russia announced plans to reduce oil production next month after the West imposed price caps on the country's oil and oil products. Russia plans to voluntarily reduce oil production by 500,000 barrels per day, or around 5% of output, in March. Deputy Prime Minister Alexander Novak said, following the introduction of Western price caps. The G7 economies, the European Union and Australia agreed to ban the use of Western-supplied maritime insurance, finance and brokering for seaborne Russian oil priced above \$60 per barrel from Dec. 5 as part of Western sanctions on Moscow over its actions in Ukraine. "As of today, we are fully selling the entire volume of oil produced, however, as stated earlier, we will not sell oil to those who directly or indirectly adhere to the principles of the 'price cap,'" Novak said in a statement. "In this regard, Russia will voluntarily reduce production by 500,000 barrels per day in March. This will contribute to the restoration of market relations". Goldman Sachs lowered its Brent 2023 price forecast to \$92 a barrel (bbl) from \$98/bbl and its 2024 price forecast to \$100/bbl from \$105/bbl. Technically market is under fresh buying as the market has witnessed a gain in open interest by 23.3% to settle at 6086 while prices are up 134 rupees, now Crude oil is getting support at 6429 and below same could see a test of 6302 levels, and resistance is now likely to be seen at 6654, a move above could see prices testing 6752.

### Trading Idea for the day

Crude oil trading range for the day is 6302-6752.

Crude oil prices jumped as Russia announced plans to reduce oil production next month

Russia plans voluntarily oil output cut of 500,000 bpd in March

The EU also banned purchases of Russian oil products and set price caps from Feb. 5.

**MCX NATURALGAS**

## Technical Chart



| Open     | High   | Low      | Close    | Net Cng |
|----------|--------|----------|----------|---------|
| 204.40   | 211.50 | 201.00   | 208.20   | 0.10    |
| OI       | % OI   | Volume   | Trend    | % Cng   |
| 36069.00 | -3.55  | 86000.00 | Positive | 0.05    |

## Fundamentals

Nat.Gas yesterday settled up by 0.05% at 208.2 as warmer-than-normal weather reduced consumption to below average and domestic production remained strong. In 2022, dry gas production hit a record 98.02 bcf/d and according to EIA is projected to rise to 100.34 bcf/d in 2023 and 102.29 bcf/d in 2024. Meanwhile, the US has experienced 8% fewer heating degree days than normal, according to the latest data from NOAA. As a result, natural gas inventories have risen, and the EIA expects them to remain above average through the summer. Meanwhile, Freeport's restart has kept a floor under the prices as investors hoped for more pull-in in the coming weeks after the facility sent gas to one of three liquefaction trains to turn it into LNG for export. US natural gas prices are down by more than 30% from the beginning of 2023 and almost 80% from their August peak of \$10. The U.S. Energy Information Administration (EIA) said utilities pulled 217 billion cubic feet (bcf) of gas from storage during the week ended Feb. 3. That was more than the 195-bcf decrease analysts forecast in a poll and compares with a decrease of 228 bcf in the same week last year and a five-year (2018-2022) average decline of 171 bcf. Technically market is under short covering as the market has witnessed a drop in open interest by -3.55% to settle at 36069 while prices are up 0.1 rupees, now Natural gas is getting support at 202.3 and below same could see a test of 196.4 levels, and resistance is now likely to be seen at 212.8, a move above could see prices testing 217.4.

### Trading Idea for the day

Natural gas trading range for the day is 196.4-217.4.

Natural gas settled flat as warmer-than-normal weather reduced consumption to below average and domestic production remained strong.

Freeport's restart has kept a floor under the prices as investors hoped for more pull-in in the coming weeks

EIA said utilities pulled 217 billion cubic feet (bcf) of gas from storage during the week ended Feb. 3.



### MCX COPPER

#### Technical Chart



| Open    | High   | Low     | Close    | Net Cng |
|---------|--------|---------|----------|---------|
| 774.00  | 774.70 | 764.65  | 766.40   | -9.50   |
| OI      | % OI   | Volume  | Trend    | % Cng   |
| 4136.00 | 7.68   | 8321.00 | Negative | -1.22   |

#### Fundamentals

Copper yesterday settled down by -1.22% at 766.4 as persistent fears of a demand-sapping global recession offset bullish bets for China's reopening. Advanced economies, led by the Federal Reserve, have raised interest rates at an unprecedented pace contributing significantly to tightening financial conditions and sparking concerns about a sharp economic slowdown. On the supply side, MMG, a Chinese mining company, said its Las Bambas copper mine in Peru secured necessary supplies, which allowed it to continue production at a reduced rate after road blockades prevented raw materials' arrivals. However, looking at the bigger picture, speculation grew that copper markets could be heading into a severe deficit amid increasingly challenging supply streams in South America. China's economy would revive and U.S. interest rates would stop rising, removing a brake on economic growth and allowing the dollar to weaken. Chinese metals inventory numbers and factory gate price data underlined continued weakness in the country, where stock markets and the yuan fell, despite a rise in new Chinese bank loans in January. The Lunar New Year is typically a period of weak demand in China and copper inventories in Shanghai exchange warehouses tend to rise sharply, peaking around March. This year's increase to 242,009 tonnes from 54,569 tonnes in late December is already the biggest since 2020. Technically market is under fresh selling as the market has witnessed a gain in open interest by 7.68% to settle at 4136 while prices are down -9.5 rupees, now Copper is getting support at 762.5 and below same could see a test of 758.5 levels, and resistance is now likely to be seen at 772.6, a move above could see prices testing 778.7.

#### Trading Idea for the day

Copper trading range for the day is 758.5-778.7.

Copper dropped as persistent fears of a demand-sapping global recession offset bullish bets for China's reopening.

Las Bambas copper mine in Peru secured necessary supplies, which allowed it to continue production at a reduced rate.

Copper inventories in warehouses monitored by the Shanghai Futures Exchange rose 6.8 % from last Friday.

### MCX ZINC

#### Technical Chart



| Open    | High   | Low     | Close    | Net Cng |
|---------|--------|---------|----------|---------|
| 276.00  | 276.90 | 270.05  | 270.40   | -7.20   |
| OI      | % OI   | Volume  | Trend    | % Cng   |
| 2578.00 | 16.02  | 5194.00 | Negative | -2.59   |

#### Fundamentals

Zinc yesterday settled down by -2.59% at 270.4 as Chinese demand remains weak and investors await inflation data next Tuesday that could hint at the direction of U.S. monetary policy. Chinese metals inventory numbers and factory gate price data underlined continued weakness in the country, where stock markets and the yuan fell, despite a rise in new Chinese bank loans in January. China's January factory gate prices fell more than expected, suggesting that flashes of domestic demand that had stoked consumer prices after the zero-COVID policy ended were not strong enough to rekindle upstream sectors. Data shows that the zinc ingot social inventories across seven major markets in China totalled 185,500 mt as of this Friday (February 10), up 11,400 mt from a week ago and up 4,700 mt from this Monday (January 6). The inventory in Shanghai recorded a slight increase with stable arrivals and muted transactions. In Tianjin, the arrivals were still tight while the outbound cargoes were plentiful amid high operating rates of downstream enterprises. Therefore, the inventory in Tianjin fell. In Guangdong, the market arrivals were flat, while the downstream buyers primarily purchased on dips as needed. The limited trades led to a slight increase in the inventory in Guangdong. Technically market is under fresh selling as the market has witnessed a gain in open interest by 16.02% to settle at 2578 while prices are down -7.2 rupees, now Zinc is getting support at 268.1 and below same could see a test of 265.6 levels, and resistance is now likely to be seen at 275, a move above could see prices testing 279.4.

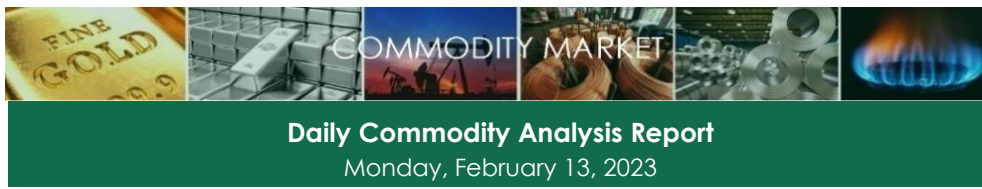
#### Trading Idea for the day

Zinc trading range for the day is 265.6-279.4.

Zinc dropped as Chinese demand remains weak and investors await inflation data next Tuesday that could hint at the direction of U.S. monetary policy.

Chinese metals inventory numbers and factory gate price data underlined continued weakness in the country

China's January factory gate prices fell more than expected, suggesting that flashes of domestic demand.



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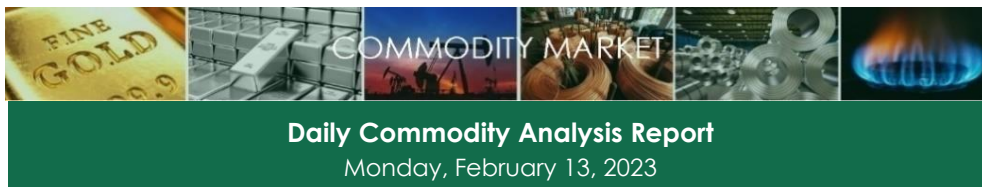
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## Contact us

SMIFS Limited. (<https://www.smifs.com/>)

Compliance Officer:

Sudipto Datta,

Vaibhav, 4 Lee Road, Kolkata 700020, West Bengal, India.

Contact No.: +91 33 4011 5401 /91 33 6634 5401

Email Id.: [compliance@smifs.com](mailto:compliance@smifs.com)