MONTHLY BULLETIN (RESEARCH) Date 11th Dec 2023

GOLD

Market Outlook and Fundamental Analysis:

Bullion Index seen a 2nd consecutive monthly gain in Nov by almost 3% after gain of 5% seen in Oct and Gold near month contract scales almost near to new all time high with spot gold in international market rally almost 3% and silver climb more than 10% for the month of Nov thanks to US FED which expected to pause in monetary tightening cycle and rate cut also on card for mid of next year which is negative for dollar index and positive for non yield assets like Gold which also appeal as safe given buying during geopolitical as well financial crisis. Other side continues buying from global central banks offer support at every dip. Earlier, bullion was in pressure due to dollar rally towards 10-month high and Treasury yields at 16-year peak makes sell off in bullion as non yield assets. Gold is known as a safe investment during economic and geo-political crisis, but a high-interest rate environment makes the non-yielding asset less attractive to investors in last year and still this will play a vital role to decide prices in months to come. Other side the yield on 10-year notes fell by 52.5 basis points in November, marking the steepest monthly drop since August 2011, while the dollar index saw a decrease of about 3%, its largest monthly decline in a year.

US Nonfarm payrolls, a gaunge to interest rates decision, U.S. job growth accelerated in November while the unemployment rate fell to 3.7%, signs of underlying labor market strength that suggested financial market expectations of an interest rate cut early next year were probably premature. Nonfarm payrolls increased by 199,000 jobs last month after rising by an unrevised 150,000 in October, though employment growth was below the average monthly 240,000 over the past 12 months, the gains are well above the 100,000 jobs per month needed to keep up with growth in the working age population. The unemployment rate dropped to 3.7% from nearly a two-year high of 3.9% in October. The labor force participation rate or the proportion of working-age Americans who have a job or are looking for one, rose to 62.8% from 62.7% in the prior month.

The ADP report also showed private payrolls increased by 103,000 jobs in November after rising 106,000 in October. Economists had forecast private payrolls rising 130,000.

U.S. consumer prices unexpectedly rose in November while underlying inflation pushed higher, offering more evidence that the Federal Reserve was unlikely to pivot to interest rate cuts early next year. As CPI edged up 0.1% last month after being unchanged in October, and in the 12 months through November, the CPI increased 3.1% after rising

3.2% in October. The annual increase in consumer prices has slowed from a peak of 9.1% in June 2022 although inflation remains above the Fed's 2% target. The core CPI increased 4.0% on a year-on-year basis in November after advancing by the same margin in October.

The U.S. economy grew faster than initially thought in the third quarter, as GDP increased at a 5.2% annualized rate last quarter, revised up from the previously reported 4.9% pace, the Commerce Department's Bureau of Economic Analysis said in its second estimate of third-quarter GDP. It was the fastest pace of expansion since the fourth quarter of 2021. Economists polled by Reuters had expected GDP growth would be revised up to a 5.0% rate. The economy grew at a 2.1% pace in the April-June quarter and is expanding at a pace well above what Federal Reserve officials regard as the non-inflationary growth rate of around 1.8%. Since March 2022, the U.S. central bank has raised its benchmark overnight interest rate by 525 basis points to the current 5.25% to 5.50% range.

According to the WGC quarterly demand trends report, Global gold demand excluding over-the-counter (OTC) trading slipped 6% in the third quarter as central bank buying fell short of last year's record levels and consumption by jewellers declined, the World Gold Council (WGC) said. The quarter's demand of 1,147.5 metric tons however stood 8% ahead of its five-year average, and official sector purchases in the full year are expected to approach their 2022 level. Gold demand shot to an 11-year high in 2022 due to the biggest central bank purchases on record. Central bank demand totalled 337.1 tons, down from a record 458.8 tons a year before. For the first nine months of 2023 however, official sector gold purchases hit 800 tons, more than in any January-September period in WGC data going back to 2000.

On data side, Unit labor costs - the price of labor per single unit of output - fell at a 1.2% annualized rate in the third quarter, revised down from the previously reported 0.8% pace of decline. That was the first drop since the fourth quarter of 2022. Growth in unit labor costs was lowered to a 2.6% rate in the second quarter from the previously reported 3.2%. Unit labor costs rose at a 1.6% rate from a year ago, the smallest year-on-year increase since the second quarter of 2021. U.S. consumer spending rose moderately in October, while the annual increase in inflation was the smallest since early 2021, as Consumer spending, which accounts for more than two-thirds of U.S. economic activity, increased 0.2% last month after an unrevised 0.7% gain in September and against economists polled by Reuters had forecast spending gaining 0.2%. UK retail sales volumes fell unexpectedly in October as consumer finances remain stretched, as retail sales volumes dropped 0.3% month-on-month, following a revised 1.1% decline in September that was worse than first estimated. Economists polled by Reuters had forecast that sales volumes would rise by 0.3% on the month in October.

Inflation as measured by the personal consumption expenditures (PCE) price index was unchanged in October after climbing 0.4% in September. In the 12 months through

October, the PCE price index increased 3.0%. That was the smallest year-on-year gain since March 2021 and followed a 3.4% advance in September. The so-called core PCE price index advanced 3.5% on a year-on-year basis in October, after increasing 3.7% in September.

Euro Zone PMI services industry rose to 48.2 this month from 47.8, slightly above the Reuters poll estimate for 48.1, but firmly in contraction territory while Manufacturing activity, which has contracted every month since July 2022, fell again in November. Its PMI rose to 43.8 from 43.1, beating the poll expectation for 43.4 but was still below breakeven.

British inflation cooled more than expected in October as household energy prices dropped from a year ago and there was also a wider softening of price pressures, as Annual CPI plunged to a lower-than-expected 4.6% from 6.7% in September. The increase was the smallest in two years and prompted investors to increase their bets on BoE rate cuts next year. Although inflation has more than halved from its October 2022 peak of 11.1%, the BoE has warned that the "last mile" of getting it down will be tougher. Core inflation, which strips out energy and food prices, fell to 5.7% from 6.1%, while service sector inflation also fell by more than the central bank had expected to 6.6% from 6.9%. Consumer prices in Britain have increased 21% since the end of 2020, as bad a record as it gets in Western Europe.

Britain's stagnating economy failed to grow in the July-to-September period but at least managed to avoid the start of a recession, as the 0% change in gross domestic product in the third quarter was a touch better than a forecast for a 0.1% fall in a Reuters poll of economists. In the month of September alone, Britain's economy grew by 0.2% from August when growth was revised down to 0.1% from 0.2%. In the three months to September, output in Britain's huge services sector fell by 0.1%, industrial production was broadly flat and construction grew by 0.1%.

Separately, India will remain the fastest-growing major economy for at least the next three years, setting it on course to become the world's third-largest economy by 2030, S&P Global Ratings said in a report. S&P expects India, currently the world's fifth-largest economy, to grow at 6.4% this fiscal and estimates growth will pick up to 7% by fiscal 2027. In contrast, it expects China's growth to slow to 4.6% by 2026 from an estimated 5.4% this year. However, S&P, which had raised its forecast even before the latest data, said India's growth will depend on its successful transition to a manufacturing-dominated economy from a services-dominated one.

India is the world's second-largest gold consumer, its economy grew at a much faster pace than expected in the July-September quarter, helped by government spending and manufacturing, as GDP expanded 7.6% in the September quarter, faster than the 6.8% forecast in a Reuters poll of economists and the Reserve Bank of India's estimate of 6.5%.

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India's central bank in its MPC meeting raised its fiscal year growth forecast on the back of a robust economy and flagged continuing tight monetary policy while it keeps watch over inflation risks. The RBI expects the economy to expand 7% in the current fiscal year from 6.5% after stronger than expected growth in the July-September quarter. RBI keeps the repo rate unchanged at 6.50%, for the 5th consecutive meeting, and in line with the expectations. The RBI had raised the repo rate by a total 250 basis points (bps) since May 2022 in efforts to cool surging inflation, which dropped to a four-month low of 4.87% in October, but is expected to remain above the RBI's 4% medium-term target for some time. The central bank projected consumer inflation at 5.4% for 2023-24, unchanged from its previous projection.

Foreign inflows into Indian government bonds hit the highest level in six years in November ahead of the securities being included in JPMorgan's emerging market index next year, with investors and treasury officials expecting buying to continue. Foreign portfolio investors bought a net 127.2 billion rupees ($1.53 billion) of bonds in November, the highest since June 2017, data from Clearing Corp of India showed. Of these, around 96.6 billion rupees of purchases were securities with no investment limit, which will be included in the JPMorgan index. For the year so far, foreigners have bought a net 432.6 billion rupees of Indian bonds -- the highest since 2017. They were net sellers for three consecutive years through 2022.

On domestic Data update, India's retail inflation in November increase at its fastest pace in 3-months due to higher food prices, as retail inflation rose to 5.55% in November from 4.87% the previous month. However, this was below that rate of 5.70% forecast by a Reuters poll of economists. Core inflation, which strips out volatile food and energy prices, was estimated to be 4.05%-4.2% in November, compared with 4.20%-4.28% in October, according to four economists. The Indian government does not release core inflation figures. India's industrial output rose 11.7% yoy in October, the fastest pace in 16-months and beating analyst expectations, driven by strong festive demand for electricity and durable goods. India's dominant services sector stayed strong in November but expanded at its slowest pace in a year as demand softened despite cooling inflationary pressures, as S&P Global India Services PMI fell to 56.9 in November from October's 58.4, below all expectations in a Reuters poll which predicted a more modest dip to 58.0. That marked the slowest pace of expansion since November last year, but the index remained firm and has been above the 50-mark that separates growth from contraction since August 2021. India's infrastructure output rose 12.1% year-on-year in October with growth across all sectors, government data showed. In the first seven months of the financial year that started on April 1, infrastructure output rose 8.6% year on year, the data showed.

India's manufacturing growth accelerated last month after a recent blip, supported by robust demand, as the Manufacturing PMI, compiled by S&P Global rose to 56.0 last month from 55.5 in October. That marked nearly two and a half years of the index being above the 50-mark separating expansion from contraction. Business confidence for the coming 12 months remained strong, with the future output sub-index at 62.2.

India's fiscal deficit for the first seven months of the financial year that started April 1 was 8.04 trillion Indian rupees, or 45% of the estimate for the whole year, government data showed. April-October net tax revenues were 13.02 trillion rupees, or 55.9% of the annual estimate, compared with 11.71 trillion rupees in the same period last year, according to the data. Total expenditure during the period was 23.94 trillion rupees, or 53.2% of the annual goal, compared with 21.44 trillion rupees in the same period last year.

Swiss gold exports in October rose to their highest level since May as deliveries to India surged to meet demand during the country's festive season, customs data showed. Switzerland is the world's biggest bullion refining and transit hub, while India and China are the largest consumer markets where local demand depends on the season and is sensitive to high gold prices. India's October gold imports surged 60% from a year earlier to a 31-month high as a drop in prices ahead of a key festival prompted jewellers to ramp up purchases, a government source said,

Other side, China's gold net imports from Hong Kong slid 23% to 26.793 metric tons in October, compared with 34.757 tons in September, data from the Hong Kong Census and Statistics Department showed. China's jewellery demand was 153.7 metric tons in the third quarter, down 6% from the 163.2 in the same quarter last year, the council said in its latest Gold Demand Trends report.

Going ahead, Gold price moves will continue to be dictated by the Fed’s response to bubbling inflation in 2023. Due to the IMF's revised global GDP prediction, reducing inflation, the halt in interest rate hikes, the weakening dollar, and China's reopening, the global commodities market is anticipated to exhibit a mixed trend in 2023, and the global economy is currently experiencing a slowdown. This is likely to have a mixed effect on the commodities market as well Bullion.

Technical Outlook:

On the Daily Chart MCX:

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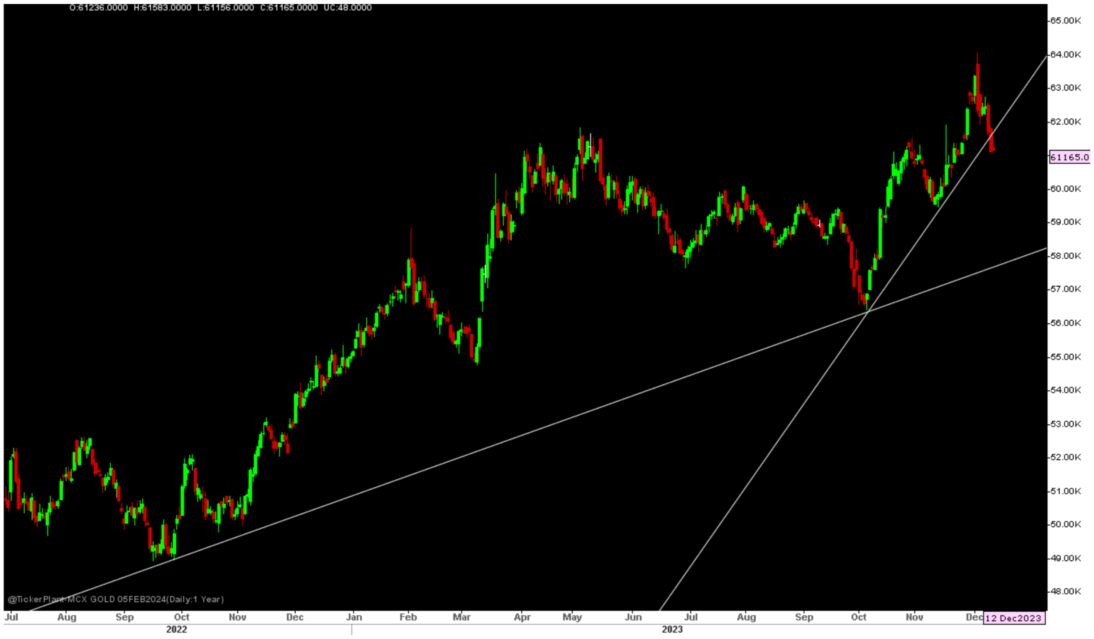


Sources – Ticker Plant and Bonanza Research

In COMEX GOLD is trading at $1980

Expected support and Resistance level for the month

Gold	S1	S2	R1	R2
COMEX/DG CX ($)	1930	1870	2075	2135
MCX (Rs.)	61050	60400	62900	63400

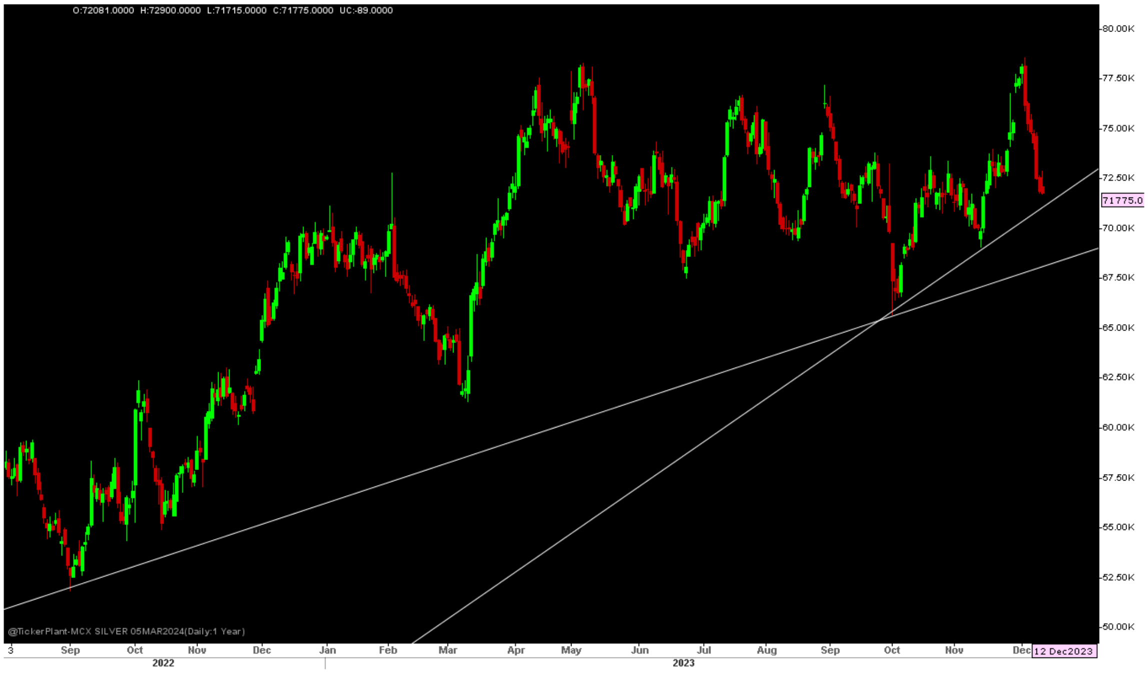
Mcx Trend seen Bullish as long S1 hold, while Sustain close below 61000 seen prices towards S2.

SILVER

Technical Outlook:

On the Daily Chart MCX:

MONTHLY BULLETIN (RESEARCH) Date 11th Dec 2023



Sources – Ticker Plant and Bonanza Research

Expected support and Resistance level for the month

Silver	S1	S2	R1	R2
COMEX/DG CX ($)	22.70	21.80	24.60	25.90
MCX (Rs.)	71700	70600	74800	76400

MCX trend seen Bullish as long hold S1, While Sustain below 71700 seen towards S2.

CRUDE OIL

Market Outlook and Fundamental Analysis

Energy complex register 2nd monthly fall in Nov with Brent oil down 5.2% and WTI settle down by 6.2% and sell off seen in last days of the month in expectations that OPEC+ in its policy meet not likely to cut production by higher amount , while demand concern after poor economic numbers and lower off take by major consumer at the time when US production at record high and exports also increased makes energy complex lower for Nov month.

China's crude oil imports dropped to their weakest in four months in November, showing how high prices trumped bullish demand forecasts from leading industry participants such as OPEC and the IEA. China, the world's largest oil importer, saw arrivals of 42.445 million metric tons, equivalent to 10.33 million barrels per day (bpd), according to data released by the General Administration of Customs. This was down 10.4% on a barrels-per-day basis from October's 11.53 million bpd, and 9.3% weaker than the same month a year earlier. China's crude oil imports gained 12.1% in the first 11 months of the year, which appears a robust increase. It works out, however, as a rise of 1.21 million bpd, well below an IEA forecast of Chinese demand growth of 1.8 million bpd for 2023.

OPEC oil output fell in November in the first monthly drop since July, a Reuters survey found, as a result of lower shipments by Nigeria and Iraq as well as ongoing market-supporting cuts by Saudi Arabia and other members of the wider OPEC+ alliance. The Organization of the Petroleum Exporting Countries pumped 27.81 million barrels per day (bpd) last month, down by 90,000 bpd from October, the survey found. Production had risen in the three months to October. At a meeting last week, OPEC+ agreed to further output cuts totalling about 2.2 million bpd for the first quarter of 2024 led by Saudi Arabia rolling over its current voluntary cut.

In its latest policy meet OPEC+ oil producers agreed to voluntary output cuts totalling about 2.2 million barrels per day (bpd) for early next year led by Saudi Arabia rolling over its current voluntary cut. The group discussed 2024 output amid forecasts the market faces a potential surplus and as a 1 million barrel per day (bpd) cut by Saudi Arabia was set to end next month. OPEC+'s output of some 43 million bpd already reflects cuts of about 5 million bpd aimed at supporting prices and stabilising the market. The total curbs amount to 2.2 million bpd from eight producers, OPEC said in a statement after the meeting. Included in this figure is an extension of the Saudi and Russian voluntary cuts of 1.3 million bpd. The 900,000 bpd of additional cuts pledged, includes 200,000 bpd of fuel export reductions from Russia, with the rest divided among six members. OPEC+ also invited Brazil, a top 10 producer, to become a member of the group.

Brazil is set to join the OPEC+ group of oil-producing countries which includes Saudi Arabia and Russia from January, an OPEC+ delegate told Reuters.

U.S. crude production in September rose to a new monthly record of 13.24 million barrels per day, helped by a large increase in North Dakota, home to the Bakken shale, EIA data showed. Crude output rose by 1.7%, the largest increase since March, the data showed. In North Dakota, the third top oil-producing U.S. state, crude production rose by 6.5% to 1.3 million bpd in September, the highest since March 2020. Gross natural gas production in the U.S. Lower 48 states eased about 0.1 billion cubic feet per day (bcfd) to 116.3 bcfd in September from a record 116.4 bcfd in August, according to EIA's monthly 914 production report. That was the first monthly decline since June.

U.S. oil output from top shale-producing regions is set to decline in December for a second consecutive month, the U.S. Energy Information Administration (EIA) said in its monthly Drilling Productivity Report. Oil output is expected to drop to 9.652 million barrels per day (bpd) in December, from an estimated 9.653 million bpd in November, the EIA said. Total natural gas output in the big shale basins will fall by about 0.3 billion cubic feet per day (bcfd) to 99.6 bcfd in December, EIA projected. That compares with a monthly record of 100.4 bcfd in August. That puts gas output on track to decline for a record fourth consecutive month in December, according to EIA data going back to 2007. EIA said producers drilled 859 oil and gas wells in October, the lowest since February 2022, and completed just 951, the lowest since December 2022. Total drilled-but-uncompleted (DUC) oil and gas wells dropped by 92 to 4,524 in October, the lowest since December 2013.

China has issued an additional 3 million metric tons in fuel oil import quotas in 2023 for non-state firms, according to a notice released by the country's Ministry of Commerce. The additional quota takes the total for 2023 to 19.2 million tons, following the 16.2 million tons in non-state fuel oil import quotas issued at the start of the year.

China's oil demand growth is likely to ease in the first half of 2024 to around 4%, according to consultancies, with resurgent consumption from the aviation and petrochemical sectors offset by weaker diesel usage due to an ongoing property sector crunch. The Organization of Petroleum Exporting Countries foresees Chinese demand averaging 16.41 million barrels per day (bpd) in the first half of 2024, up 3.2% on 2023 levels, while the International Energy Agency (IEA) forecasts demand averaging 17.1 million bpd for the full year, to show 3.9% growth. OPEC and the IEA expect China's oil demand to show growth in 2023 of 7.6% and 12.1%, respectively.

Russia has succeeded in selling almost all of its oil well above a Western-imposed price cap of $60 per barrel, a Russian government official said. The European Union, G7 countries and Australia introduced the price cap on Russian oil last December, aiming to curb Russia's ability to finance the conflict in Ukraine. More than 99% of oil traded well above the $60 per barrel ceiling," Vladimir Furgalsky, a Russian Energy Ministry official, told a round table discussion at the upper house of parliament. According to Russian state bank VEB, which presented its own forecasts at Thursday's event, Russian oil exports are seen at 242 million metric tons (4.84 million barrels per day) this year, down from 248 million tons in 2022. In 2024, Russian oil exports are seen little changed at 241 million tons, VEB said.

The global oil market will see a slight surplus of supply in 2024 even if the OPEC+ nations extend their cuts into next year, the head of the International Energy Agency's (IEA) oil markets and industry division told Reuters.

The IEA raised its oil demand growth forecasts for this year and next despite slower economic growth in nearly all major economies, although its 2024 outlook remains much lower than that of producer group OPEC. IEA said the market could shift into surplus at the start of 2024 having been kept in a "significant deficit" through year-end by voluntary cuts from Saudi Arabia and Russia which last until the end of December. In 2023, the IEA expects world demand to rise by 2.4 million barrels per day (bpd), up from 2.3 million bpd seen previously and bringing its view closer to that of OPEC, which on Monday nudged up its forecast to 2.46 mln bbl per day. For 2024, the IEA raised its oil demand growth forecast to 930,000 bpd from 880,000 bpd. Expectations are underpinned by hopes of interest rate cuts and the recent fall in crude prices.

The U.S. plans to buy 1.2 million barrels of oil to help replenish the Strategic Petroleum Reserve after it sold off the largest amount ever last year, the Energy Department said. The department said the planned purchase for the oil is at an average price of $77.57 a barrel from two companies after 18 bids were submitted. Last month the Energy Department said it hopes to buy 3 million barrels for December delivery and another 3 million for January at the higher price. It said it expects to issue additional oil purchase solicitations for the reserve on a monthly basis through at least May 2024.

OPEC in its latest monthly report, said oil market fundamentals remained strong and blamed speculators for a drop in prices as it slightly raised its 2023 forecast for global oil demand growth and stuck to its relatively high 2024 prediction. The OPEC report also said OPEC oil production rose in October despite the pledged supply cuts, driven by increases in Iran, Angola and Nigeria.

In its latest weekly inventory data from the U.S. EIA shows, crude oil stockpiles fell last week with production falling for the first time since July, while gasoline and distillate inventories rose as refiners ramped up output, the EIA said. Crude inventories fell by 4.6 million barrels in the week ending Dec. 1 to 445 million barrels, the EIA said, compared with analysts' expectations in a Reuters poll for a 1.4 million-barrel drop. The crude stock figure was adjusted down 2.7 million barrels, the biggest week-on-week drop in unaccounted barrels on record. Refinery crude runs rose by 179,000 bpd last week, the EIA said, while utilization rates rose by 0.7 percentage point to 90.5% of total capacity. Gasoline stocks rose by 5.4 million barrels in the week to 223.6 million barrels, the EIA said, far exceeding expectations for a 1 million-barrel build. Distillate stockpiles which include diesel and heating oil, increased by 1.3 million barrels to 112 million barrels, the data showed, versus forecasts for a 1.5 million-barrel rise.

India, the world's third-biggest oil importer and consumer, the average price of Russian oil delivered to top buyer India in October rose to $84.20 per barrel, way above the $60 price cap set by the Group of Seven nations in December last year, preliminary Indian government data showed. India purchased Russian oil at an average price of about $81.24 per barrel in September, according to Reuters' calculations based on the latest data posted on the Indian Trade Ministry's website. Apart from direct supplies from Russia, Indian refiners also get Russian oil supplied from ports in Greece, Spain and Korea. India's

Russian oil imports rebounded in November after several plants came back online from planned maintenance and as fuel consumption rose during the Diwali festive season, preliminary data from ship-tracking firms Kpler and Vortexa showed.

OPEC's share in India's oil imports in October hit a 10-month high as refiners bought more crude from Saudi Arabia and the United Arab Emirates after discounts narrowed for Russian oil that month, trade data showed. Russia's share of the Indian market in October slipped to the lowest in nine months, according to Reuters calculations based on ship tracking data from trade sources. Imports from Saudi Arabia and the United Arab Emirates jumped to a 7-month high, up about 53% and 63% respectively in October from the previous month, the data showed. India imported on average 1.56 million barrels per day (bpd) of Russian oil in October, up 1.2% from the previous month, the data showed.

Indian refiners have resumed Venezuelan oil purchases through intermediaries, with Reliance set to meet executives from state firm PDVSA next week to discuss direct sales following the easing of U.S. sanctions on the South American country, people familiar with the matter said. Three Indian refiners have bought some 4 million barrels of Venezuelan crude for February delivery at between $7.50 and $8 per barrel below dated Brent on a delivered ex-ship basis, trade sources said.

Venezuela is currently producing some 850,000 barrels per day (bpd) of oil and hopes to soon reach 1 million bpd, the country's deputy oil minister, Erick Perez, said, following the temporary lifting of U.S. sanctions on the nation. The nation has about 5,000 active wells for crude and gas output and its natural gas production currently averages some 4 billion cubic feet per day, according to official data.

Venezuela's oil output in October was 786,000 bpd. It will continue growing if diluents to produce exportable heavy crude grades are imported, Perez said.

India has cut the windfall tax on crude oil to 6,300 Indian rupees ($75.70) a tonne from 9,800 rupees a tonne while cutting the diesel windfall tax to 1 rupee per litre from 2 rupee per litre, the notification said. The windfall tax on gasoline and aviation turbine fuel (ATF) remained unchanged at zero, it added.

Indian two-wheeler makers outshone their four-wheeler counterparts in November, driven by a festive season-led pick up in rural demand, monthly sales data from auto manufacturers showed. Rural India accounts for 55% of total two-wheeler sales and is key for the sector.

Going ahead, Oil prices are set for small gains in 2023 as a darkening global economic backdrop and COVID-19 flare-ups in China threaten demand growth and offset the impact of supply shortfalls caused by sanctions on Russia. It is to be expected that oil demand will grow significantly in the second half of 2023, driven by the easing of COVID-19 restrictions in China and by central banks adopting a less aggressive approach on interest rates.

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Technical Outlook:-

On the Daily Chart MCX:

Sources – Ticker Plant and Bonanza Research

Expected Support and Resistance level for the month

Crude	S1	S2	R1	R2
NYMEX/DG CX ($)	66.50	63.50	80.0	86.0
MCX (Rs.)	5700	5500	6050	6250

MCX trend seen Bearish as long hold R1, While Sustain Close below 5700 seen towards 5500-5400.

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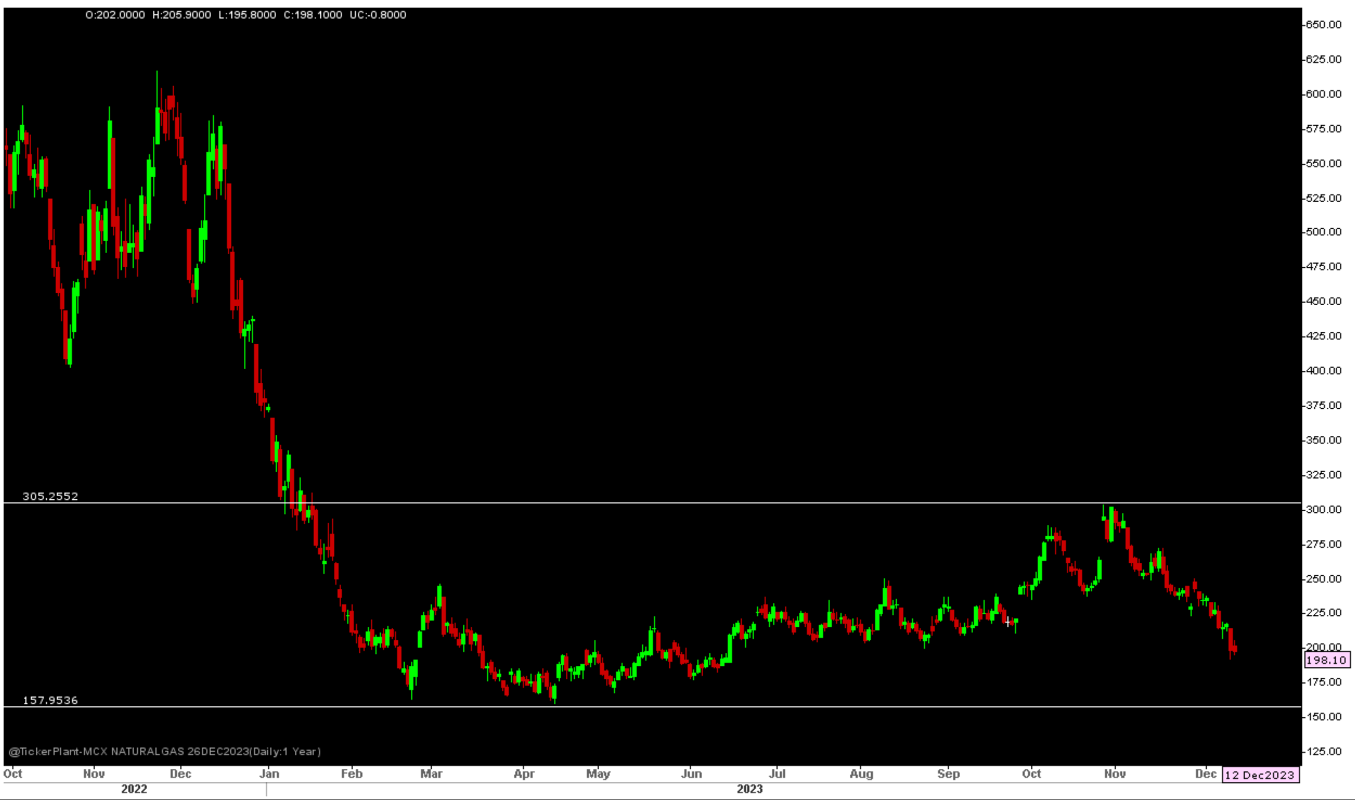
Natural Gas

Technical Outlook:

On the Daily Chart MCX:



Sources – Ticker Plant and Bonanza Research

Natural Gas	S1	S2	R1	R2
MCX (Rs.)	191	180	220	243

MCX trend seen bearish as long hold R1, While Sustain Close below 191 seen towards 183-180 belt.

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Base Metals

Market Outlook and Fundamental Analysis

COPPER:

Base metal complex register a 2nd consecutive monthly fall in Nov and pared all gain in 1sr half of the last month to settle lower on demand concern after weak economic numbers from top metals consuming countries including China, higher warehouse stocks at exchange monitor warehouses and technical sell off after break below support level makes metals index in domestic future market ended flat over previous monthly closing. Other side Benchmark Copper and Zinc gain almost 2% in Nov, while Aluminum down more than 2.5% and Lead ended flat in domestic future exchanges.

Latest number from top metal consumer China shows, consumer prices fell the fastest in three years in November while factory-gate deflation deepened, indicating rising deflationary pressures as weak domestic demand casts doubt over the economic recovery. The consumer price index (CPI) dropped 0.5% both from a year earlier and compared with October, data from the National Bureau of Statistics (NBS) showed on Saturday. The producer price index (PPI) fell 3.0% year-on-year against a 2.6% drop in October, marking the 14th straight month of decline and the quickest since August. Economists had predicted a 2.8% fall in November. China's services activity expanded at a quicker pace in November, a private-sector survey showed as Caixin/S&P Global services PMI rose to a 3-month high of 51.5 in November from October's 50.4, but it remained softer than the long-run series average.

China's exports grew for the first time in six months in November, suggesting factories in the world's second-largest economy are attracting buyers through discount pricing to get over a prolonged slump in demand. Exports grew 0.5% from a year earlier in November, compared with a 6.4% fall in October and beating the 1.1% drop expected in a Reuters poll. Imports fell 0.6%, dashing forecasts for a 3.3% increase and swinging from a 3.0% jump last month.

Ratings agency Moody's cut its outlook on China's government credit ratings to negative from stable on Tuesday, in the latest sign of mounting global concern over the impact of surging local government debt and a deepening property crisis on the world's second-largest economy. The move by Moody's was the first change on its China view since it cut its rating by one notch to A1 in 2017, also citing expectations of slowing growth and rising debt. After years of over-investment, plummeting returns from land sales, and soaring costs to battle COVID, debt-laden municipalities now represent a major risk to the economy. Local government debt reached 92 trillion yuan ($12.6 trillion), or 76% of China's economic output in 2022, up from 62.2% in 2019, according to the latest data from the International Monetary Fund (IMF).

China imported 353,000 metric tons of refined copper in October, which was the highest monthly volume this year. Cumulative imports of 2.99 million tons over the first 10 months were just 4% below last year's tally, or 6% on a net basis factoring in slightly higher exports this year. Imports of mined copper concentrates rose by 9% year-on-year over the January-October period and are on track to exceed last year's record count of 25.3 million tons.

London Metal Exchange (LME) stocks of aluminium have been draining away steadily since August and headline inventory of 443,000 metric tons is now the lowest since February. More than half of that tonnage is in the form of cancelled warrants, meaning freely available stocks stand at only 198,025 tons.

The London Metal Exchange (LME) said it will require warehouses in its network to report all inventory that can be delivered against its contracts, in a move that reduces the complexity of previous rules. Historically, warehouses only reported inventories that were on warrant -- title documents that confer ownership -- to the LME, the world's largest and oldest forum for trading metals. The new rules will require LME-registered warehouses to report all LME-branded material that is being stored off-warrant "with only one overall tonnage figure per metal required", the exchange said in a statement.

The Baltic Dry Index, a bellwether gauge of global trade, climbed to a three year high in November, supported by improved demand for industrial commodities, particularly from China.

Going ahead, Spiralling inflation, COVID lockdowns in top consumer China and aggressive interest rate rises are behind economic weakness and dwindling demand growth for industrial metals such as copper, used in the power and construction industries.

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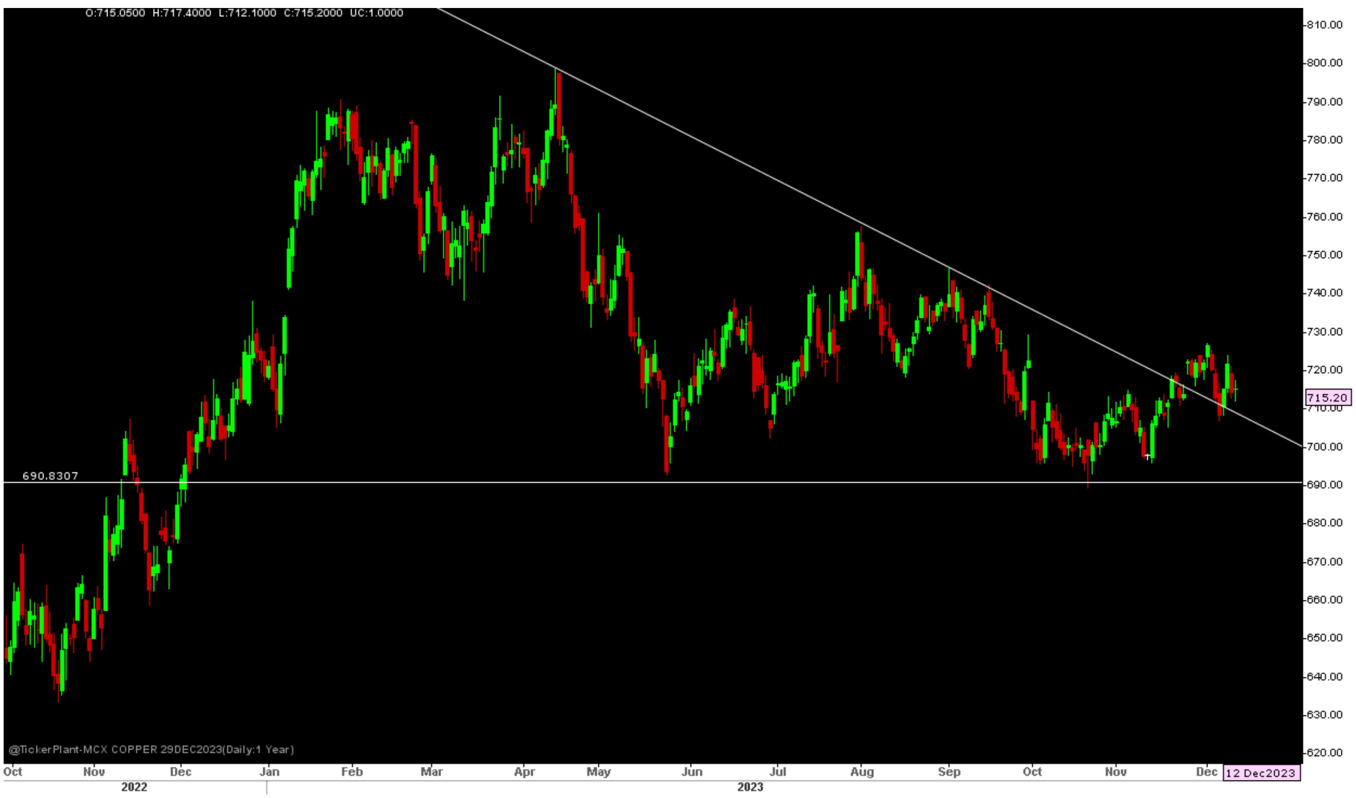
Base Metals

TECHNICAL OUTLOOK:

COPPER:



Sources – Ticker Plant and Bonanza Research

Expected Support & Resistance level for the month

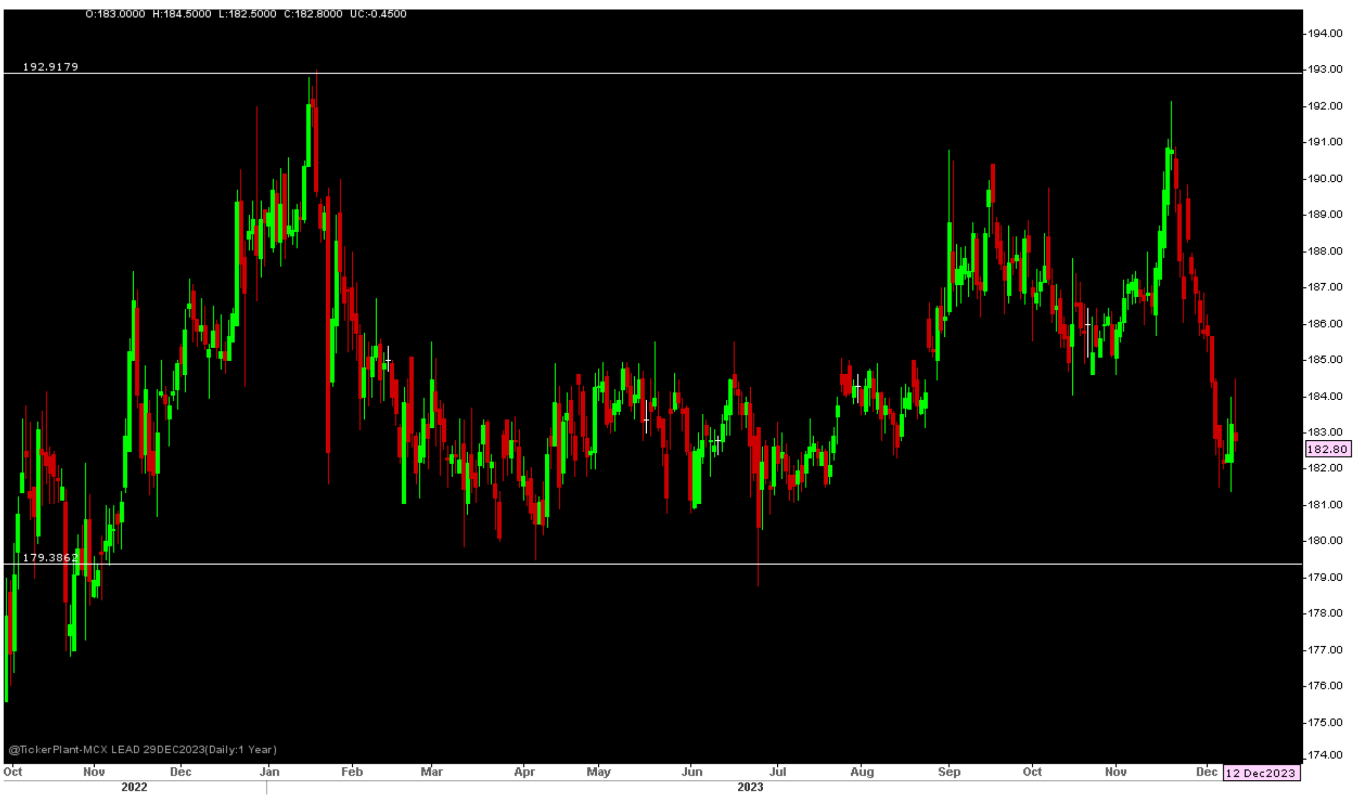
Copper	S1	S2	R1	R2
MCX	707	698	727	740

MCX trend seen Bearish as long hold 724-R1, While Sustain below 698-694 seen towards 685-680 belt.

MONTHLY BULLETIN (RESEARCH) Date 11th Dec 2023

LEAD:

Technical Outlook:



Sources – Ticker Plant and Bonanza Research

Expected support and Resistance level for the month

Lead	S1	S2	R1	R2
MCX	181	178	188	194

MCX trend seen Bullish as long hold S1 while Sustain Close below 181 seen 178-175 belt.

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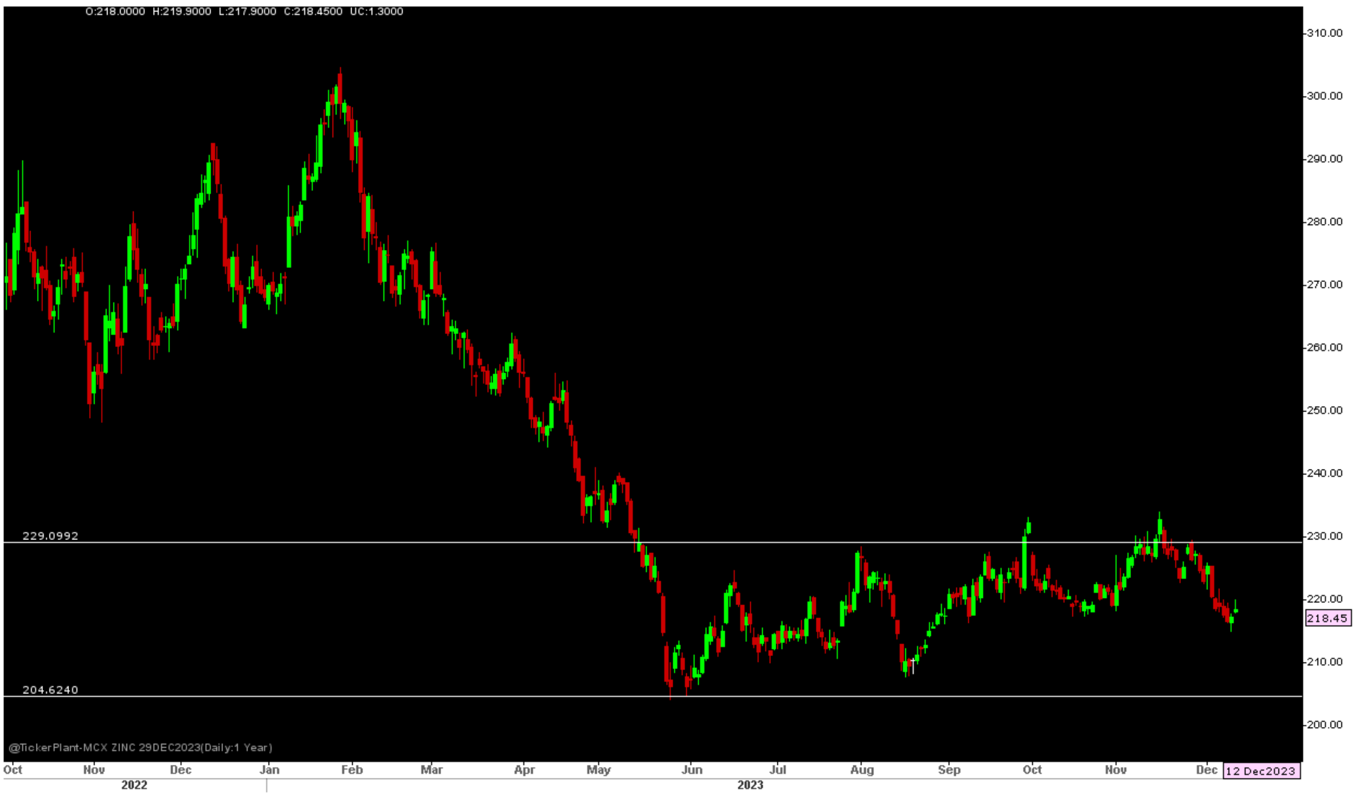
ZINC

TECHNICAL OUTLOOK:



Sources – Ticker Plant and Bonanza Research

Expected Support & Resistance level

Zinc	S1	S1	R1	R2
MCX	215	208	230	236

MCX trend seen Bearish as long hold 222, While Only Sustain above R1 seen again Rally towards R2-240.

NICKEL

TECHNICAL OUTLOOK:

No View due to Low Volumes

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BONANZA RESEARCH TEAM

Technical Research Analyst

Vibhu Ratandhara

BONANZA COMMODITY BROKERS PVT. LTD.

DATE-Dec 11th, 2023

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M/s. Bonanza Portfolio Ltd at Bonanza House, Plot No. M-2, Cama Industrial Estate. Walbhat Road, Goregaon (E), Mumbai – 400063 Web site: https://www.bonanzaonline.com

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| CDSL: a) 120 33500 |

NSDL: a) IN 301477 | b) IN 301688 (Delhi) | PMS: INP 000000985 | AMFI: ARN -0186