

Lead prices remained under pressure on demand concerns and Chinese efforts to temper rising base metals prices.

Global Economy

- Global equities were largely on higher side last week, however China's benchmarks SSE composite index closed lower.
- Organisation for Economic Co-operation and Development (OECD) raised global growth forecast by 5.8% this year and 4.4% next year.
- US Non-Farm payrolls added 559000, which was fall short of expectation gain in May .
- Chinese factory activity grew at a slower pace as raw material costs surge, however US manufacturing activity picked up in May on reopening economy.

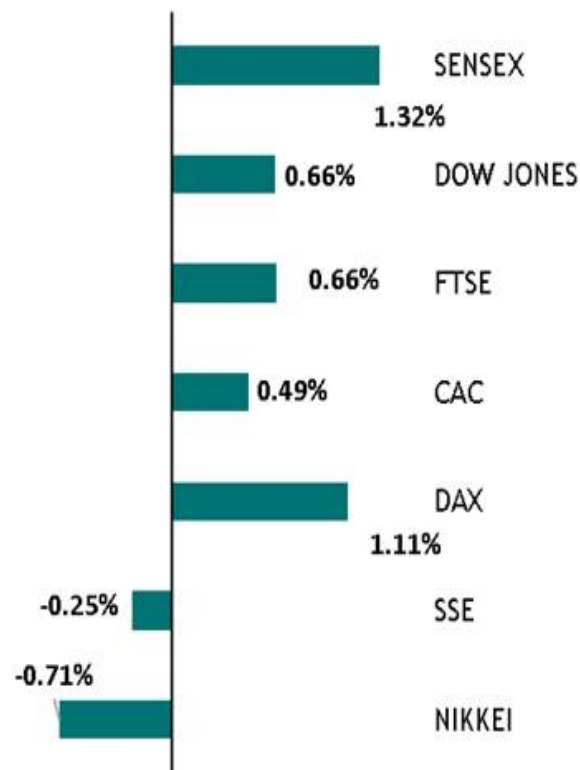
Currencies

- U.S. dollar closed on a flat note with a marginal gain of 0.12 % against the rival currencies after testing a three week in previous week.
- Euro and Chinese Yuan slipped lower against US dollar. while Japanese Yen managed to close on a positive territory against US dollar.
- Indian Rupee slipped as well in previous week and finally closed with loss by 0.63 percent and settled at 72.86 marks against dollar.

Lead

- LME lead futures skidded 2.62 percent, SHFE lead futures too lost momentum by 2.56 percent on previous week.
- MCX Lead managed to limit its loss just above half a percent in last week.
- Lead inventory levels in LME decreased by 2.70 percent, while stocks in SHFE increased by 12.88 percent.
- LME Cash over three month forward futures premium in Lead is contango at \$19.50 per MT as on Friday.

Indices



Currency

Currencies	Close	WoW % Chg
Dollar Index Spot	90.136	0.12%
Euro/US Dollar	1.2165	-0.20%
US Dollar/ Japanese Yen	109.49	0.29%
US Dollar/ Indian Rupee	72.86	-0.63%
US Dollar/ Chinese Yuan	6.3945	-0.42%

*Currency rates mentioned above are Friday closing rates

Key Data/Events for the week

Day	Data/Events
Monday	China-Trade Balance
Tuesday	Euro-Zone GDP
Wednesday	China -Inflation
Thursday	ECB Policy Decision
Thursday	US - Inflation



Lead prices moved within consolidation range

Prices had a volatile session last week due to mixed fundamentals. Hopes of US monetary policy changes and Chinese action on rising base metals prices dampened the market sentiment. Muted factory activity data from China and a rising inventory build up in Shanghai warehouse also kept major gains under check.

The LME Lead futures declined by 2.62 percent last week to \$2136 per MT. The Shanghai Lead prices traded downward by 2.56 percent and closed at CNY15030 per MT in the fast week of June.

US President Joe Biden consider ally countries to supply metals for Electric vehicles.

US President made remarks to boost electric vehicle sector including recycling of batteries and sourcing supplies from other countries as an aggressive measures to achieve climate goals.

Global lead market moves back into surplus in February -ILZSG

The global lead market moved into a surplus of 7,400 tonnes in February from a revised deficit of 4,400 tonnes in January, data from the International Lead and Zinc Study Group (ILZSG) showed. Earlier, the ILZSG had reported a deficit of 21,800 tonnes in January.

In the first two months of 2021, the ILZSG said the roughly 12 million tonne a year market was oversupplied by 3,000 tonnes. That compares to a 16,000 tonne surplus in the same period of 2020.

China auto sales likley to seen smaller YoY increase in May

Chinese vehicle sales may be the lowest in last month since this year began. A preliminary tally from the China Association of Automobile Manufacturers says that auto sales of the world's largest vehicle market reached 2.204 million units last month, up 0.5% from a year ago, 8.1 percentage points less than that of April sales, and down 2.1% from a month ago, 7.7 percentage points less than that of the previous month. Regarding different segments, monthly sales of passenger vehicles may see a year-on-year growth of 6% while those of commercial vehicles may drop 8.8% compared with the same period of last year.

Warehouse inventory level

The Lead inventory levels in LME registered warehouses decreased last week and totalled 94700 MT. Meanwhile, inventories in Shanghai registered warehouses totalled at 105372 MT.

Global Market Prices

Exchanges	Close Price	WoW % Chg	YoY % Chg
LME	2136(\$/MT)	-2.62%	20.41%
SHFE	15030(CNY/MT)	-2.56%	4.45%
MCX	169.85 (Rs/Kg)	-0.67%	11.05%

*Near Month Futures Contracts in MCX/ SHFE/COMEX
 *Three Month Forward Futures Contracts in LME
 *Prices mentioned above are Friday closing rates in respective exchanges

Warehouse Stock Details

Exchanges	Stocks in MT	WoW Chg	YoY % Chg
LME	94700	-2625	-2.70%
SHFE	105372	12025	12.88%

Stocks in Metric Tonnes



Outlook

Chinese regulator action on surging base metals prices and concerns over demand likely to weigh the sentiment of lead. Meanwhile, recovering global industrial activities and a weak US currency continue to offer lower level support to prices.

LME: Inability to move past \$2200 there are chances of corrective selling pressure. A direct rise above would take prices further higher.

MCX: Breaking the resistance of Rs 182 is needed to continue rallies. Else, corrective selloffs are likely in the counter.

Trading Outlook

	LME 3M Futures	MCX Jun
Weekly View	RANGE BOUND	RANGE BOUND
Short Term View	MILD NEGATIVE	MILD NEGATIVE
Technical Levels		
Trading Range	\$ 2280-1750	Rs 188-148
Resistance 1	2220	174
Resistance 2	2280	179
Resistance 3	2400	188
Pivot	2080	168
Support 1	1020	165
Support 2	1940	157
Support 3	1880	148

GENERAL DISCLOSURES & DISCLAIMERS:CERTIFICATION

I Krishna prasad N.B , employee of Geojit Financial Services Limited (GFSL), author of this report, hereby certify that all the views expressed in this research report (report) reflect my personal views about any or all of the subject issuer or securities/ commodities.

DISCLAIMER

This report has been prepared by GFSL and the report & its contents are the exclusive property of GFSL and the recipient cannot tamper with the report or its contents in any manner and the said report, shall in no case, be further distributed to any third party for commercial use, with or without consideration.

GFSL has taken steps to ensure that facts in this report are based on reliable information but cannot testify, nor make any representation or warranty, express or implied, to the accuracy, contents or data contained within this report. It is hereby confirmed that wherever GFSL has employed a rating system in this report, the rating system has been clearly defined including the time horizon and benchmarks on which the rating is based.

Descriptions of any Commodity or Commodities mentioned herein are not intended to be complete and this report is not, and should not be construed as an offer or solicitation of an offer, to buy or sell any commodity or other financial instruments. GFSL has not taken any steps to ensure that the commodity/(ies) referred to in this report are suitable for any particular investor. This Report is not to be relied upon in substitution for the exercise of independent judgment. Opinions or estimates expressed are current opinions as of the original publication date appearing on this Report and the information, including the opinions and estimates contained herein, are subject to change without notice. GFSL is under no duty to update this report from time to time.

RISK DISCLOSURE

Geojit Financial Services Limited and/or its Affiliates and its officers, directors and employees including the analyst/authors shall not be in any way be responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. Investors may lose his/her entire investment under certain market conditions so before acting on any advice or recommendation in these material, investors should consider whether it is suitable for their particular circumstances and, if necessary, seek professional advice. This report does not take into account the specific investment objectives, financial situation/ circumstances and the particular needs of any specific person who may receive this document. The user assumes the entire risk of any use made of this information. Each recipient of this report should make such investigation as it deems necessary to arrive at an independent evaluation of an investment in the Commodity/(ies) referred to in this report (including the merits and risks involved). The price, volume and income of the investments referred to in this report may fluctuate and investors may realize losses that may exceed their original capital.

The investments or services contained or referred to in this report may not be suitable for all equally and it is recommended that an independent investment advisor be consulted. In addition, nothing in this report constitutes investment, legal, accounting or tax advice or a representation that any investment or strategy is suitable or appropriate to individual circumstances or otherwise constitutes a personal recommendation of GFSL.



REGULATORY DISCLOSURES:

Geojit Financial Services Limited's Associates consists of companies such as Geojit Technologies Private Limited (GTPL- Software Solutions provider), Geojit Credits Private Limited (GCPL- NBFC Services provider), Geojit Investment Services Limited (GISL- Corporate Agent for Insurance products), Geojit Financial Management Services Private Limited (GFMSL) & Geojit Financial Distribution Private Limited (GFDPL), (Distributors of Insurance and MF Units). In the context of the SEBI Regulations on Research Analysts (2014), Geojit Financial Services Limited affirms that we are a SEBI registered Research Entity and we issue research reports /research analysis etc that are prepared by our Research Analysts. We also affirm and undertake that no disciplinary action has been taken against us or our Analysts in connection with our business activities.

In compliance with the above mentioned SEBI Regulations, the following additional disclosures are also provided which may be considered by the reader before making an investment decision:

1. Disclosures regarding Ownership:

GFSL confirms that:

It/its associates have no financial interest or any other material conflict in relation to the subject Commodity futures covered herein at the time of publication of this report.

Further, the Research Analyst confirms that:

He, his associates and his relatives have no financial interest in the subject Commodity futures covered herein, and they have no other material conflict in the subject Commodity at the time of publication of this report.

2. Disclosures regarding Compensation:

During the past 12 months, GFSL or its Associates have not received any compensation or other benefits from any entity/ third party in connection with the Commodity futures mentioned in this report.

3. Disclosure regarding the Research Analyst's connection with the Commodity futures:

It is affirmed that we, Hareesh V, Krishna Prasad NB, employed as Research Analysts by GFSL and engaged in the preparation of this report have no substantial ownership or financial interest over any Commodity futures mentioned in the report.

4. Disclosure regarding Market Making activity:

Neither GFSL nor its Research Analysts have engaged in market making activities for the subject Commodity futures.

Copyright in this report vests exclusively with GFSL

Geojit Financial Services Ltd., 34/659-P, Civil Line Road, Padivattom, Kochi - 682024

Toll-Free Number: 1800-425-5501 / 1800-103-5501, Paid Number: 91 - 484 - 2901000

Research Entity SEBI Registration Number: INH200000345

Email id: customercare@geojit.com, Web: www.geojit.com

SEBI Stock Broker Registration No INZ000104737, Research Entity SEBI Reg No: INH200000345, Investment Adviser SEBI Reg No: INA200002817, Portfolio Manager: INP000003203, SEBI Registration No. Stock Broker: INZ000104737 / Depository Participant: IN-DP-325-2017, ARN Regn.Nos:0098, IRDA Corporate Agent (Composite) No.: CA0226.

