

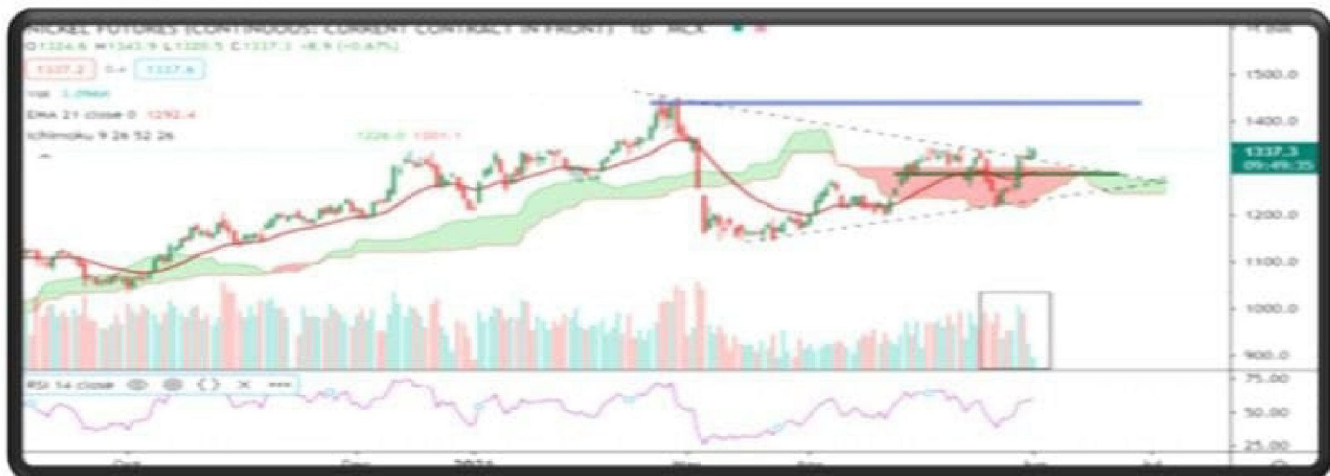
NICKEL



News & Development

LME and MCX Nickel futures mainly traded sideways during the month of May, as demand has witnessed incline in China and western countries. This has also increased the raw material/output demand in the manufacturing sectors from Philippines and Indonesia for its electronic vehicles car manufacturing sector. However, the demand from the Asian countries during the second half of May has slumped with reports of higher covid-19 cases and sluggish vaccination process. By 31st May, MCX Nickel prices declined by 0.45% closing at Rs.1304/kg.

Fundamentally for the month ahead, we are expecting LME and MCX Nickel futures to witness uptrend with reports of higher demand from the battery sector in United States. European economy is starting to recover and is expected to show greater recovery dominated by Germany. Earnings at China's industrial firms grew at a slower pace in April, with high commodity prices and weaker performance in the consumer goods sector limiting overall profitability from manufacturing; estimated to cap extreme bullishness in global base metal prices. Moreover, China will strengthen price controls on iron ore, copper, corn and other major commodities in its 14th five-year plan for 2021 to 2025 to address abnormal fluctuations in prices, the state planner said recently, with the National Development and Reform Commission (NDRC) also added that the country will also step-up monitoring and analysis of commodity prices such as crude oil, natural gas and soybean. Conversely, vaccination pace in the western countries has been high due to declining covid-19 cases, which is also sentimentally driving the Nickel and other base metal prices higher and expected to continue till the month end. Simultaneously, the manufacturing and economic data in the United States, China, European Union and India has been reported to be positive over the month which is expected to support Nickel prices.



On the daily chart, MCX Nickel (Jun) future has given a breakdown of **Symmetrical Triangle Pattern** with good volume, which indicates bullish movement in the near future. In addition, the price has been trading above the **Ichimoku Cloud** after taking support of **21 Exponential Moving Averages** with **Hammer Candlesticks**, which point-out positive trend for the near term. Moreover, on a weekly time frame the price also taken support of **21 Exponential Moving Averages** with **Bullish Engulfing candlesticks** which confirms the bullish trend in near future. Furthermore, the **RSI indicator** has also sustained above **50** which indicate bullish strength in near term. **So based on above technical structure one can initiate a long position in MCX Nickel (Jun) future at CMP 1337 or a fall in the price till 1330 levels, that can be used as buying opportunity for the upside target of 1400. However, the bullish view will be negated if MCX Nickel (Jun) future close below the support level of 1310.**