
Global central bank policy initiatives are likely to support copper prices

Global central bank policy initiatives are likely to support copper prices

- LME 3 M Copper prices are now trading at \$9532 per mt , prices are marginally up in last two session after recent drop. Copper prices are gaining traction following China's commitment to focus on economic stability if global economic development is harmed by a new strain of Covid. To stabilize the economy and keep growth within a reasonable range in 2022, China stated it will conduct a careful monetary policy and a proactive fiscal policy.
- The US Federal Reserve meeting on December 14-15 is expected to provide new direction for copper prices. The Federal Reserve is largely expected to announce a speedier tapering of its asset purchase programme and an early start to rate hikes.
- Copper demand is expected to be impacted in the start of 2022, according to CITI Bank, due to a slowdown in China property market and the impact of new COVID-19 versions. However, after the supply chain bottleneck is alleviated and credit growth is revamped, it is expected to regain speed in the second half of 2022.
- According to research agency Antaike, China's biggest copper smelters increased output by 1.3 percent in November compared to the previous month as fewer companies carried out maintenance and power supply constraints improved.
- According to meeting minutes seen by Reuters, MMG Ltd's Las Bambas copper mine has raised its offer of employment and investment to a Peruvian region blocking a route used to transport the red metal in a bid to avoid a production stoppage next week.
- According to a report released last week, copper inventory at SHFE warehouse climbed by 4212mt in the previous week. SHFE warehouse stock has increased to 47711 mt as of December 10th. Meanwhile, LME warehouse stock is now at 81775 mt as of December 10th, up 3425 mt in the prior five trading days. CME warehouse stock is now at 52736mt as of December 10th dropped by 490 mt in last five trading sessions.

Outlook

- On the LME, three-month copper prices hold steady, trading above a key support range of \$9407-\$9335 per metric tonne. At \$9751 per mt, substantial resistance is predicted.

DISCLOSURE & DISCLAIMER: ABANS BROKING SERVICES PVT. LTD. (ABSPL)

Prepared by:

Mr. Kamlesh Jogi | Market Research Analyst

email: kamlesh.jogi@abans.co.in

Phone: +91 22 68354176 (Direct)

Abans Broking Services (P) Limited

36, 37, 38A, 3rd Floor, 227 Nariman Bhavan, Backbay Reclamation, Nariman Point, Mumbai-400 021

Phone +91 22 61790000 | Fax +91 22 61790000

Email: info@abans.co.in | Website: www.abans.co.in

Membership Details:

MCX Member ID: 40385 / SEBI Reg. No. INZ000032733;

NCDEX: Member ID F00681 / SEBI Reg. No. INZ000032733

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations). ABans Broking Services Pvt. Ltd. (ABSPL) is a SEBI Registered Research Analyst having registration no. INH000006369. ABSPL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock Broking services. ABSPL is a subsidiary company of ABans Finance Pvt. Ltd. (AFPL). AFPL is an NBFC, registered with the RBI, in the category of non-acceptance of public deposits.

One of the group companies of ABSPL is ABans Securities Pvt. Ltd. (ASPL) which is a SEBI registered member with NSE, BSE and MSE stock exchanges. ASPL is also a Depository Participant of CDSL. ABans Commodities Pvt. Ltd. (ACIPL) is another group entity which is also a registered member with MCX in the Commodity segment. Further details are available on the group website www.abans.co.in Mandatory Disclosures as per the Regulations:

- ▲ Ownership & Material conflicts of interest –
 - ▲ Whether the Research Analyst or ABSPL, or his associate or his relative has any financial interest in the subject company and the nature of such financial interest – No
 - ▲ Whether the Research Analyst or ABSPL, or its associates or relatives, have actual/beneficial ownership of 1% or more securities of the subject company, at the end of the month immediately preceding the date of publication of this research report or date of the public appearance – No
 - ▲ Whether the Research Analyst or ABSPL, or his associate or his relative, has any other material conflict of interest at the time of publication of this research report or at the time of public appearance – No
- ▲ Receipt of Compensation –
 - ▲ Whether ABSPL, or its associates have received any compensation from the subject company in the past twelve months – No
 - ▲ Whether ABSPL, or its associates have managed or co-managed public offering of securities for the subject company in the past twelve months – No
 - ▲ Whether ABSPL, or its associates have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months – No
 - ▲ Whether ABSPL, or its associates have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months – No
 - ▲ Whether ABSPL, or its associates have received any compensation or other benefits from the subject company or third party in connection with the research report – No
- ▲ Whether the Research Analyst has served as an officer, director or employee of the subject company – No
- ▲ Whether the Research Analyst or ABSPL has been engaged in market making activity for the subject company – No
- ▲ Other material disclosures, if any

Disclaimer:

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Neither ABans Broking Pvt. Ltd. (ABSPL), nor its directors, employees or affiliates shall be liable for any loss or damage that may arise from or in connection with the use of this information. The document is not, and should not be construed as an offer to sell or solicitation to buy any securities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from "ABans Broking Services Private Limited". Your feedback is appreciated on compliance@abans.co.in