

# TECHNO FUNDA REPORT ON

August 05, 2015

# LEAD

*Prices can move higher*



## MCX LEAD DAILY CHART (AUG)



Source: Reuters

**Recommendation:** Investors can take fundamental Buy position in Lead (Aug) at current prices for the target of 120 with stop loss of closing below 106.50.

**Note:**

- These long term fundamental calls are for duration of three to four weeks time frame and do not confuse these with intraday calls.
- It is assumed that investor takes position in two lots and square off position in one lot on partial profit booking and trail stop loss to buying/selling price for second lot.

## LME LEAD DAILY CHART



## **Bullish factors for Lead**

### **Increase in E bikes sales US, China etc**

More fully electric and plug-in hybrid vehicles market are being sold in the U.S. than other country, according to research by IHS Automotive. The U.S. led sales of all global electric vehicles and plug-in hybrid vehicles, selling more than 14,500 of them in the first quarter of 2015.

China saw the second largest sales, topping off at 12,555 vehicles throughout the first quarter of 2015. This was a 0.3% increase from this same time in 2014.

When it came to highest percentage of total vehicle registrations, Norway was the top country. It ranked first in IHS's Plug-In Electric Vehicle Index, which tracks the market share of plug-in electric vehicles and plug-in hybrid electric vehicles each quarter across eight major countries, including China, the U.S, France, Germany, Japan, and the United Kingdom. Norway had saw 8,000 cars sold throughout the first quarter of 2015, one third of all new vehicles registered over the period. The country had a 41% increase in volume compared to the same time period in 2014.

### **Decline in Lead supply**

Global lead market was oversupplied by 4,000 tons during the first four months of 2015 as against an oversupply of 9,000 tons in the same period a year ago, according to data published by the International Lead and Zinc Study Group (ILZSG).

During January to April, global production of refined lead metal decreased by 2.3% to 3.369 million tons from the production of 3.45 million tons in the corresponding period last year.

### **Stronger US Auto Sales**

U.S. auto sales were stronger than expected in July and kept the industry on pace for its best performance since the turn of the century as cheaper gasoline and low interest rates drove the shift toward sport utility vehicles and pickup trucks. U.S. auto sales rose 5.3 percent to 1.51 million vehicles, above the 3 percent rise as expected, according to Auto data Corp. The figures translate to an annualized sales rate for July of 17.55 million vehicles and keep the auto industry on a pace for its best year since 2000. Car-buying website TrueCar Inc said a record \$47 billion was spent on new-vehicle purchases in July, up 2.1 percent from a year earlier. Ford truck sales rose 5.7 percent; its utility vehicle sales jumped 13.4 percent while sedan sales fell 3.9 percent. Improvement in US auto sales can give support to the battery demand of lead.

**Sandeep Joon**  
**Boardline : 011-30111000 Extn: 683**

**Sr. Research Analyst (Metals & Energy)**  
**sandeepjoon@smcindiaonline.com**

---

SMC Global Securities Limited is proposing, subject to receipt of requisite approvals, market conditions and other considerations, a further public offering of its equity shares and has filed the Draft Red Herring Prospectus with the Securities and Exchange Board of India ("SEBI") and the Stock Exchanges. The Draft Red Herring Prospectus is available on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in) and on the websites of the Book Running Lead Manager i.e., ICICI Securities Limited at [www.icicisecurities.com](http://www.icicisecurities.com) and the Co- Book Running Lead Manager i.e., Elara Capital (India) Private Limited at [www.elaracapital.com](http://www.elaracapital.com). Investors should note that investment in equity shares involves a high degree of risk and for details relating to the same, please see the section titled "Risk Factors" of the aforementioned offer document.

**Disclaimer:**

This report is for the personal information of the authorized recipient and doesn't construe to be any investment, legal or taxation advice to you. It is only for private circulation and use. The report is based upon information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as such. No action is solicited on the basis of the contents of the report. The report should not be reproduced or redistributed to any other person(s) in any form without prior written permission of the SMC.

The contents of this material are general and are neither comprehensive nor inclusive. Neither SMC nor any of its affiliates, associates, representatives, directors or employees shall be responsible for any loss or damage that may arise to any person due to any action taken on the basis of this report. It does not constitute personal recommendations or take into account the particular investment objectives, financial situations or needs of an individual client or a corporate/s or any entity/s. All investments involve risk and past performance doesn't guarantee future results. The value of, and income from investments may vary because of the changes in the macro and micro factors given at a certain period of time. The person should use his/her own judgment while taking investment decisions.

Please note that we and our affiliates, officers, directors, and employees, including persons involved in the preparation or issuance of this material; (a) from time to time, may have long or short positions in, and buy or sell the commodities thereof, mentioned here in or (b) be engaged in any other transaction involving such commodities and earn brokerage or other compensation or act as a market maker in the commodities discussed herein (c) may have any other potential conflict of interest with respect to any recommendation and related information and opinions. All disputes shall be subject to the exclusive jurisdiction of Delhi High court.

---