Narnolia™

DAILY COMMODITY SNAPSHOT

19th Dec 2018

Base Metals

	Previous	CMP	% Change
Comex Copper	2.652	2.679	1.02
LME Copper	5956.25	6002	0.77
LME Aluminium	1925.5	1921.5	-0.21
LME Zinc	2512	2538.75	1.06
LME Lead	1957	1968	0.56
LME Nickel	10837.5	10872.5	0.32
MCX Copper	417.5	419.55	0.49
MCX Aluminium	135.5	135.1	-0.30
MCX Zinc	179.25	181	0.98
MCX Lead	137.75	138.35	0.44
MCX Nickel	758.6	760.8	0.29

Base Metal Related News

Base Metals traded lower as investors concerned about global economic growth waited to see whether the U.S. Federal Reserve would raise interest rates for a fourth time this year.

The global zinc market deficit narrowed to 43,400 tonnes in October from a revised deficit of 46,900 tonnes in September, data from the International Lead and Zinc Study Group (ILZSG) showed.

China should lower next year's growth target to 6.0-6.5 percent as headwinds, including a trade dispute with the United States, increases risks for the economy, according to government advisers.

Copper premium drops to its lowest since late January LME three-month spreads swing to contango making prices fall 3percent.

The ICSG estimates that the refined copper market would record a deficit of 90,000 tonnes and 65,000 tonnes in 2018 and 2019 respectively.

LME Inventory 19/12/2018

Commodity	LME Stock	Change	Shanghai Stock	Change	Change in Canceled Warrants	CW as % of LME Stocks
Copper	128350	6350	122222	-1657	-325	12.68
Aluminium	1236800	28600	688825	-24442	-6525	16.42
Zinc	130775	2925	24879	-1971	-725	14.24
Lead	108725	-175	16845	7225	-175	14.72
Nickel	210406	-150	14517	-417	-888	21.64

Base Metal Outlook

Base Metal prices are trading positive today. We expect metal prices to taek support and trade higher for the day however investors were disappointed as none of the policy announcements were made by China. Any dovish language in today's FOMC statement pointing towards halt in hiking interest rate could fuel weakness in the dollar, and thus be provide some bounce back some to base metals prices.

19th December 2018

Narnolia Financial Advisors Ltd | Market Strategy Desk

Important Events For The Week					
	Cur		Actual	Forecast	Previous
17-Dec					
3:30pm	EUR	Final CPI y/y	1.90%	2.00%	2.00%
	EUR	Final Core CPI y/y	1%	1.00%	1.00%
7:00pm	USD	Empire State Manufacturing Index	10.9	20.1	23.3
8:30pm	USD	NAHB Housing Market Index	56	61	60
18-Dec					
2:30pm	EUR	German Ifo Business Climate	101	101.8	102
7:00pm	USD	Building Permits	1.33M	1.27M	1.26M
	USD	Housing Starts	1.26M	1.23M	1.23M
EVENTS FOR TODAY					
3:00pm	GBP	CPI y/y		2.30%	2.40%
	GBP	Core CPI y/y		1.80%	1.90%
7:00pm	USD	Current Account		-125B	-101B
8:30pm	USD	Existing Home Sales		5.20M	5.22M
9:00pm	USD	Crude Oil Inventories			-1.2M
12:30am	USD	FOMC Economic Projections			
	USD	FOMC Statement			
	USD	Federal Funds Rate		<2.50%	<2.25%
1:00am	USD	FOMC Press Conference			
20-Dec					
Tentative	JPY	BOJ Policy Rate		-0.10%	-0.10%
Tentative	JPY	Monetary Policy Statement			
Tentative	JPY	BOJ Press Conference			
3:00pm	GBP	Retail Sales m/m		0.30%	-0.50%
5:30pm	GBP	Monetary Policy Summary			
5:30pm	GBP	Official Bank Rate		0.75%	0.75%
5:30pm	GBP	Asset Purchase Facility		435B	435B
7:00pm	USD	Philly Fed Manufacturing Index		15.6	12.9
	USD	Unemployment Claims		219K	206K
9:00pm	USD	Natural Gas Storage			-77B
21-Dec					
12:30pm	EUR	German GfK Consumer Climate		10.3	10.4
3:00pm	GBP	Final GDP q/q		0.60%	0.60%
7:00pm	USD	Core Durable Goods Orders m/m		0.30%	0.20%
	USD	Final GDP q/q		3.50%	3.50%
	USD	Durable Goods Orders m/m		1.80%	-4.30%
8:30pm	EUR	Consumer Confidence		-4	-4
8:30pm	USD	Revised UoM Consumer Sentiment		97.6	97.5
8:30pm	USD	Revised UoM Inflation Expectations			2.70%

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