Narnolia™

# DAILY COMMODITY SNAPSHOT

25th Feb 2019

## Base Metals

| | Previous | CMP | % Change |
|---|---|---|---|
| Comex Copper | 2.947 | 2.971 | 0.81 |
| LME Copper | 6476 | 6529 | 0.82 |
| LME Aluminium | 1913.75 | 1921 | 0.38 |
| LME Zinc | 2712.5 | 2730.25 | 0.65 |
| LME Lead | 2062.75 | 2085.5 | 1.10 |
| LME Nickel | 12987 | 13142.5 | 1.20 |
| MCX Copper | 462.35 | 465.5 | 0.68 |
| MCX Aluminium | 134.4 | 135 | 0.45 |
| MCX Zinc | 194.5 | 195.6 | 0.57 |
| MCX Lead | 145.9 | 147.45 | 1.06 |
| MCX Nickel | 917.8 | 929.3 | 1.25 |

## Base Metal Related News

Base Metal prices rose for a second session on Monday to their highest since July on expectations of a trade agreement between Washington and Beijing.

President Donald Trump said there was "a very good chance" the United States would strike a deal with China to end their trade war and that he was inclined to extend his March 1 tariff deadline and meet soon with Xi.

Global aluminium production contracted in China and the rest of the world in January. The world’s smelters turned out 5.30 million tonnes of aluminium last month, down 1.1% on Jan-18 and the lowest count since Nov-17.

Copper was also supported by another fall in inventories. Withdrawals from LME warehouses reached over 36,000 tonnes on Friday, pushing stocks to their lowest level since 2005.

China’s nickel pig iron daily output declined in January and December from November as smelters scheduled maintenance.

## LME Inventory 25/02/2019

| Commodity | LME Stock | Change | Shanghai Stock | Change | Change in Canceled Warrants | CW as % of LME Stocks |
|---|---|---|---|---|---|---|
| Copper | 132450 | -1375 | 207118 | 64391 | 4975 | 74.97 |
| Aluminium | 1235100 | -4700 | 736675 | 31914 | -4750 | 47.13 |
| Zinc | 78400 | -2700 | 86477 | 39516 | -2700 | 35.14 |
| Lead | 76775 | -50 | 31652 | 4058 | -50 | 2.80 |
| Nickel | 198912 | -1062 | 12184 | -377 | -750 | 34.79 |

## Base Metal Outlook

Base metals are trading higher in international markets. We expect base metal to trade supportive at lower levels after the positive comments from Trump and Xi saying would strike a deal with China by delaying the deadline date of 1st March 2019. Any positive outcome from trade meeting will bring some upside to the metal prices. One can maintain buy on dips strategy in Copper and Aluminium prices.

| Important Events For The Week | | | | | |
|---|---|---|---|---|---|
| | Cur | | Actual | Forecast | Previous |
| **EVENT FOR TODAY** | | | | | |
| 3:30pm | GBP | BOE Gov Carney Speaks | | | |
| **26-Feb** | | | | | |
| 10:30am | JPY | BOJ Core CPI y/y | | | 0.40% |
| 7:00pm | USD | Building Permits | | 1.29M | 1.32M |
| | USD | Housing Starts | | 1.25M | 1.26M |
| 8:30pm | USD | CB Consumer Confidence | | | 120.2 |
| | USD | Fed Chair Powell Testifies | | | |
| **27-Feb** | | | | | |
| 2:30pm | EUR | M3 Money Supply y/y | | | 4.10% |
| | EUR | Private Loans y/y | | | 3.30% |
| 7:00pm | USD | Goods Trade Balance | | | -71.6B |
| | USD | Prelim Wholesale Inventories m/m | | | 0.30% |
| 8:30pm | USD | Fed Chair Powell Testifies | | | |
| | USD | Factory Orders m/m | | | -0.60% |
| | USD | Pending Home Sales m/m | | | -2.20% |
| 9:00pm | USD | Crude Oil Inventories | | | 3.7M |
| **28-Feb** | | | | | |
| 5:20am | JPY | Prelim Industrial Production m/m | | | -0.10% |
| | JPY | Retail Sales y/y | | | 1.30% |
| 6:30am | CNY | Manufacturing PMI | | | 49.5 |
| | CNY | Non-Manufacturing PMI | | | 54.7 |
| All Day | EUR | German Prelim CPI m/m | | | -0.80% |
| 6:30pm | USD | FOMC Member Clarida Speaks | | | |
| 7:00pm | USD | Advance GDP q/q | | 2.60% | 3.40% |
| | USD | Unemployment Claims | | | 216K |
| 8:15pm | USD | Chicago PMI | | | 56.7 |
| 9:00pm | USD | Natural Gas Storage | | | -177B |
| **1-Mar** | | | | | |
| 5:00am | JPY | Tokyo Core CPI y/y | | | 1.10% |
| | JPY | Unemployment Rate | | | 2.40% |
| 6:00am | JPY | Final Manufacturing PMI | | | 48.5 |
| 7:15am | CNY | Caixin Manufacturing PMI | | | 48.3 |
| 1:45pm | EUR | Spanish Manufacturing PMI | | | 52.4 |
| 2:15pm | EUR | Italian Manufacturing PMI | | | 47.8 |
| 2:20pm | EUR | French Final Manufacturing PMI | | | 51.4 |
| 2:25pm | EUR | German Final Manufacturing PMI | | | 47.6 |
| | EUR | German Unemployment Change | | | -2K |
| 2:30pm | EUR | Final Manufacturing PMI | | | 49.2 |
| 3:00pm | GBP | Manufacturing PMI | | | 52.8 |
| 3:30pm | EUR | CPI Flash Estimate y/y | | | 1.40% |
| | EUR | Core CPI Flash Estimate y/y | | | 1.10% |
| | EUR | Unemployment Rate | | | 7.90% |
| 8:15pm | USD | Final Manufacturing PMI | | | 53.7 |
| 8:30pm | USD | ISM Manufacturing PMI | | | 56.6 |
| | USD | Revised UoM Consumer Sentiment | | | 95.5 |
| | USD | Revised UoM Inflation Expectations | | | 2.50% |
| All Day | USD | Total Vehicle Sales | | | 16.7M |

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|---|---|
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