

Base Metals

	Previous	CMP	% Change
Comez Copper	2.83	2.79	-1.41
LME Copper	6241.75	6177	-1.04
LME Aluminium	1799.5	1797.5	-0.11
LME Zinc	2770.75	2712.5	-2.10
LME Lead	1888	1877.5	-0.56
LME Nickel	12202.5	12077.5	-1.02
MCX Copper	438.3	430.8	-1.71
MCX Aluminium	145.2	145	-0.14
MCX Zinc	219.1	216.8	-1.05
MCX Lead	131.3	130.5	-0.61
MCX Nickel	841.2	840.2	-0.12

Base Metal Related News

Base Metal slumped after Trump threatened Beijing with steeper tariffs, citing the slow pace of negotiations.

China's central bank said it will cut reserve requirement ratios (RRRs) to release about 280 billion yuan (\$41 billion) for some small and medium-sized banks.

U.S. President Donald Trump said he would impose additional tariffs on Chinese goods slated to go into effect on Friday.

China Vice Premier Liu He To Go To US For Trade Talks May 9 - 10.

Copper premiums in Shanghai have become less volatile due to there being less financing demand in the market after largest copper importers, Tewoo Group, began experiencing liquidity troubles in late March.

The weakness in lead comes despite recent drawdowns in on-exchange stock levels

LME Inventory 07/05/2019

Commodity	LME Stock	Change	Shanghai Stock	Change	Change in Canceled Warrants	CW as % of LME Stocks
Copper	229925	1800	228123	-17055	-2525	25.85
Aluminium	1274100	13150	674101	-27037	22550	29.61
Zinc	87875	-25	92145	-9130	-25	4.50
Lead	74425	-150	29097	-4052	-150	1.81
Nickel	173040	-114	9504	2	180	39.80

Base Metal Outlook

Base metals are trading lower today. We expect base metal to remain under selling pressure after the Trump threatened to increase the tariffs on Chinese products to 25% from the current level of 10%. One can maintain sell on rise strategy in Copper and Zinc for the day.

Important Events For The Week					
	Cur		Actual	Forecast	Previous
6-May					
All Day	JPY	Bank Holiday			
7:15am	CNY	Caixin Services PMI	54.5	54.3	54.4
All Day	GBP	Bank Holiday			
12:45pm	EUR	Spanish Services PMI	53.1	54.9	56.8
1:15pm	EUR	Italian Services PMI	50.4	54.4	53.1
1:20pm	EUR	French Final Services PMI	50.5	50.5	50.5
1:25pm	EUR	German Final Services PMI	55.7	55.6	55.6
1:30pm	EUR	Final Services PMI	52.8	52.5	52.5
2:00pm	EUR	Sentix Investor Confidence	5.3	1.1	-0.3
2:30pm	EUR	Retail Sales m/m	0.00%	-0.10%	0.40%
7:30pm	USD	FOMC Member Williams Speaks			
EVENTS FOR TODAY					
6:00am	JPY	Final Manufacturing PMI	50.2	49.5	49.5
11:30am	EUR	German Factory Orders m/m	0.60%	1.60%	-4.20%
12:15pm	EUR	French Trade Balance	-5.3B	-4.5B	-4.0B
2:30pm	EUR	EU Economic Forecasts			
9:05pm	USD	FOMC Member Quarles Speaks			
8-May					
5:20am	JPY	Monetary Base y/y		3.60%	3.80%
Tentative	CNY	Trade Balance		235B	221B
Tentative	CNY	USD-Denominated Trade Balance		33.7B	32.6B
9:05am	JPY	10-y Bond Auction			-0.06 5.1
11:30am	EUR	German Industrial Production m/m		-0.50%	0.70%
All Day	EUR	French Bank Holiday			
5:00pm	EUR	ECB Monetary Policy Meeting Accounts			
6:00pm	USD	FOMC Member Brainard Speaks			
8:00pm	USD	Crude Oil Inventories			9.9M
10:31pm	USD	10-y Bond Auction			2.47 2.6
9-May					
7:00am	CNY	CPI y/y		2.50%	2.30%
	CNY	PPI y/y		0.60%	0.40%
6:00pm	USD	Fed Chair Powell Speaks			
6:00pm	USD	PPI m/m		0.20%	0.60%
6:00pm	USD	Core PPI m/m		0.20%	0.30%
6:00pm	USD	Trade Balance		-51.4B	-49.4B
6:00pm	USD	Unemployment Claims		215K	230K
8:00pm	USD	Natural Gas Storage			123B
10-May					
11:30am	EUR	German Trade Balance		19.4B	18.7B
2:00pm	GBP	GDP m/m		0.00%	0.20%
	GBP	Manufacturing Production m/m		0.10%	0.90%
	GBP	Prelim GDP q/q		0.50%	0.20%
	GBP	Industrial Production m/m		0.20%	0.60%
10th-15th	CNY	New Loans		1175B	1690B
10th-15th	CNY	M2 Money Supply y/y		8.50%	8.60%
6:00pm	USD	CPI m/m		0.40%	0.40%
6:00pm	USD	Core CPI m/m		0.20%	0.10%
6:00pm	USD	FOMC Member Brainard Speaks			

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Narnolia Financial Advisors Ltd | Market Strategy Desk

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