

Base Metals

	Previous	CMP	% Change
Comex Copper	2.734	2.738	0.15
LME Copper	6058	6053	-0.08
LME Aluminium	1829.75	1828.75	-0.05
LME Zinc	2596.75	2574.5	-0.86
LME Lead	1821.5	1822.5	0.05
LME Nickel	12005	11952.5	-0.44
MCX Copper	428.25	422.7	-1.30
MCX Aluminium	149.4	147.75	-1.10
MCX Zinc	215.35	212.5	-1.32
MCX Lead	128	126.4	-1.25
MCX Nickel	845.5	832.9	-1.49

Base Metal Related News

Base Metal prices edged down as investors remained wary about the intensifying U.S.-China trade war.

In US data last Friday, the University of Michigan's preliminary consumer sentiment beat expectations of a reading of 97.8 to register 102.4.

Nickel cash/three-month spread reached a \$20 per tonne backwardation while the June/July LME spread recently moved out to a \$39 per tonne backwardation, further indicating nearby tightness.

China's central bank will use foreign exchange intervention and monetary policy tools to stop the yuan weakening past the key 7-per-dollar level.

China Association of Automobile Manufacturers (CAAM) showed that auto sales in China in January-April declined 12.1% from a year ago

US Federal Reserve chair Jerome Powell and the country's Federal Reserve Governor Richard Clarida are both to speak today.

LME Inventory

Commodity	LME Stock	Change	Shanghai Stock	Change	Change in Canceled Warrants	CW as % of LME Stocks
Copper	188575	-1825	194208	-17422	-1975	6.27
Aluminium	1241900	-8775	601362	-20545	-3850	36.79
Zinc	104925	-450	69788	-2302	-450	15.06
Lead	73475	-100	32194	3207	300	4.76
Nickel	164352	-300	9123	-351	-894	37.04

Base Metal Outlook

Base metals are trading lower today. We expect base metal to trade negative on rising trade tensions after China stepped away from further negotiation. One can maintain sell on rise strategy in Copper and Lead for the day.

Important Events For The Week					
	Cur		Actual	Forecast	Previous
EVENTS FOR TODAY					
5:20am	JPY	Prelim GDP q/q	0.50%	-0.10%	0.50%
10:00am	JPY	Revised Industrial Production m/m	-0.60%	-0.90%	-0.90%
11:30am	EUR	German PPI m/m		0.40%	-0.10%
10:35pm	USD	FOMC Member Clarida Speaks			
4:30am	USD	Fed Chair Powell Speaks			
21-May					
7:30pm	EUR	Consumer Confidence		-8	-8
	USD	Existing Home Sales		5.35M	5.21M
8:15pm	USD	FOMC Member Evans Speaks			
9:30pm	USD	FOMC Member Rosengren Speaks			
22-May					
5:20am	JPY	Trade Balance		-0.12T	-0.18T
10:30am	USD	FOMC Member Bullard Speaks			
2:00pm	GBP	CPI y/y		2.20%	1.90%
	GBP	Core CPI y/y		1.90%	1.80%
Tentative	EUR	German 10-y Bond Auction			0.02 2.0
7:30pm	USD	FOMC Member Williams Speaks			
8:00pm	USD	Crude Oil Inventories			5.4M
11:30pm	USD	FOMC Meeting Minutes			
23-May					
6:00am	JPY	Flash Manufacturing PMI		50.5	50.2
11:30am	EUR	German Final GDP q/q		0.40%	0.40%
12:45pm	EUR	French Flash Services PMI		50.7	50.5
	EUR	French Flash Manufacturing PMI		50.1	50
1:00pm	EUR	German Flash Manufacturing PMI		44.9	44.4
	EUR	German Flash Services PMI		55.2	55.7
1:30pm	EUR	Flash Manufacturing PMI		48.2	47.9
	EUR	Flash Services PMI		53	52.8
	EUR	German Ifo Business Climate		99.2	99.2
Day 1	EUR	European Parliamentary Elections			
5:00pm	EUR	ECB Monetary Policy Meeting Accounts			
6:00pm	USD	Unemployment Claims			212K
7:15pm	USD	Flash Manufacturing PMI		53	52.6
	USD	Flash Services PMI		53.6	53
7:30pm	USD	New Home Sales		678K	692K
8:00pm	USD	Natural Gas Storage			106B
24-May					
2:00pm	GBP	Retail Sales m/m			1.10%
Day 2	EUR	European Parliamentary Elections			
6:00pm	USD	Core Durable Goods Orders m/m			0.40%
6:00pm	USD	Durable Goods Orders m/m			2.70%

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Narnolia Financial Advisors Ltd | Market Strategy Desk

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