

Base Metals

| | Previous | CMP | % Change |
|---------------|----------|---------|----------|
| Comex Copper | 2.677 | 2.664 | -0.49 |
| LME Copper | 5932.25 | 5902 | -0.51 |
| LME Aluminium | 1780 | 1774.5 | -0.31 |
| LME Zinc | 2545.75 | 2512.5 | -1.31 |
| LME Lead | 1807.5 | 1790.75 | -0.93 |
| LME Nickel | 11957.5 | 11887 | -0.59 |
| MCX Copper | 414.15 | 412 | -0.52 |
| MCX Aluminium | 144.3 | 143.85 | -0.31 |
| MCX Zinc | 211.55 | 209 | -1.21 |
| MCX Lead | 125.4 | 124.4 | -0.80 |
| MCX Nickel | 835.2 | 830 | -0.62 |

Base Metal Related News

Base Metal prices rose on the LME after the United States temporarily eased some trade restrictions on Chinese telecoms giant Huawei.

Existing home sales in the US fell 0.4% in April from the prior month to a seasonally adjusted annual rate of 5.19 million units.

The global nickel market deficit widened to 12,500 tonnes in March from a revised shortfall of 1,000 tonnes in the previous month (INSG) said.

A host of manufacturing purchasing managers' index (PMI) releases from France, Germany, the European Union and the US today.

SHFE copper inventories fell for seven consecutive weeks as of May 17 and lost 73,000 mt.

US Federal Open Market Committee's (FOMC) April 30-May 1 meeting allowed the dollar to maintain a steady footing above the 98 mark after the central bank reiterated its pledge to wait and see on interest rates.

LME Inventory

| Commodity | LME Stock | Change | Shanghai Stock | Change | Change in Canceled Warrants | CW as % of LME Stocks |
|-----------|-----------|--------|----------------|--------|-----------------------------|-----------------------|
| Copper | 188400 | -1225 | 194208 | -17422 | -650 | 6.69 |
| Aluminium | 1221700 | -8600 | 601362 | -20545 | -8600 | 37.97 |
| Zinc | 102525 | -500 | 69788 | -2302 | -500 | 12.66 |
| Lead | 73175 | -250 | 32194 | 3207 | -50 | 10.22 |
| Nickel | 165120 | -96 | 9123 | -351 | -12 | 38.76 |

Base Metal Outlook

Base metals are trading lower today. We expect base metal to trade weak on rising trade tensions due to unresolved differences between US and China and on lack of any important economic data to be released. With US FOMC minutes maintained its patience approach towards future interest rate policy, strong dollar will limit prices gains in metals.

| Important Events For The Week | | | | | |
|-------------------------------|-----|--------------------------------------|--------|----------|------------|
| | Cur | | Actual | Forecast | Previous |
| 20-May | | | | | |
| 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 | 0.50% | 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 | -7 | -8 | -8 |
| | USD | Existing Home Sales | 5.19M | 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 | -0.11T | -0.12T | -0.18T |
| 10:30am | USD | FOMC Member Bullard Speaks | | | |
| 2:00pm | GBP | CPI y/y | 2.10% | 2.20% | 1.90% |
| | GBP | Core CPI y/y | 1.80% | 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 | 4.7M | -1.2M | 5.4M |
| 11:30pm | USD | FOMC Meeting Minutes | | | |
| EVENTS FOR TODAY | | | | | |
| 6:00am | JPY | Flash Manufacturing PMI | 49.6 | 50.5 | 50.2 |
| 11:30am | EUR | German Final GDP q/q | 0.40% | 0.40% | 0.40% |
| 12:45pm | EUR | French Flash Services PMI | 51.7 | 50.7 | 50.5 |
| | EUR | French Flash Manufacturing PMI | 50.6 | 50.1 | 50 |
| 1:00pm | EUR | German Flash Manufacturing PMI | 44.3 | 44.9 | 44.4 |
| | EUR | German Flash Services PMI | 55 | 55.2 | 55.7 |
| 1:30pm | EUR | Flash Manufacturing PMI | 47.7 | 48.2 | 47.9 |
| | EUR | Flash Services PMI | 52.5 | 53 | 52.8 |
| | EUR | German Ifo Business Climate | 97.9 | 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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