

Base Metals

	Previous	CMP	% Change
Comex Copper	2.706	2.694	-0.44
LME Copper	5985	5967	-0.30
LME Aluminium	1826	1812	-0.77
LME Zinc	2426.75	2419.25	-0.31
LME Lead	2097.75	2096.75	-0.05
LME Nickel	14020	14177.5	1.12
MCX Copper	450.75	448.7	-0.45
MCX Aluminium	143.8	142.85	-0.66
MCX Zinc	193.05	192.25	-0.41
MCX Lead	156.3	155.8	-0.32
MCX Nickel	979.9	989.5	0.98

Base Metal Related News

Base Metal prices advanced on Wednesday amid reports of progress in trade negotiations between the United States and China.

Lead negotiators for China and the United States will meet in Shanghai on Tuesday for two days in the next round of trade talks aimed to end their year-long trade war, China's commerce ministry confirmed.

Henan Yuguang Gold and Lead, China's biggest lead producer, has completed maintenance at its 400,000 tonnes per year lead smelter in Jiyuan and resumed production

The premium of LME lead cash contract over the three-month contract CMPB0-3 surged to \$10.50 a tonne on Thursday from \$1.5 in the previous session, indicating nearby supply shortage.

The market will focus on the first reading of US second quarter GDP data, consensus is for growth of 1.8%, down from 3.1% in the first quarter.

LME Inventory

Commodity	LME Stock	Change	Shanghai Stock	Change	Change in Canceled	
					Warrants	CW as % of LME Stocks
Copper	292500	-1350	149189	-5331	-1350	13.81
Aluminium	1028000	33350	396400	-25622	-3475	24.97
Zinc	76725	-525	74984	-535	400	41.51
Lead	56650	-625	35720	458	-625	16.33
Nickel	146676	-438	27157	0	72	30.12

Base Metal Outlook

Base metals are trading down today. We expect base metal prices to trade sideways to negative ahead of US GDP data in the evening session. However, the downside will be limited on hopes and optimism over trade deal between US and China and expectation of aggressive rate cut in the upcoming July meeting. The lack of demand due to slowdown in global growth are keeping the upside in base metals limited.

Important Events For The Week					
	Cur		Actual	Forecast	Previous
22-Jul					
3.30pm	EUR	German Buba Monthly Report			
8.30pm	JPY	BOJ Gov Kuroda Speaks			
23-Jul					
3.30pm	GBP	CBI Industrial Order Expectations	-34	-15	-15
6.30pm	USD	HPI m/m	0.10%	0.30%	0.40%
7.30pm	USD	Existing Home Sales	5.27M	5.35M	5.34M
7.30pm	USD	Richmond Manufacturing Index	-12	5	3
24-Jul					
12.45pm	EUR	Flash Manufacturing PMI	46.40	47.60	47.60
12.45pm	EUR	Flash Services PMI	53.30	53.30	53.60
7.15pm	USD	Flash Manufacturing PMI	50.00	50.90	50.60
	USD	Flash Services PMI	52.20	51.60	51.50
7.30pm	USD	New Home Sales	646K	659K	626K
8.00pm	USD	Crude Oil Inventories	-10.8M	-4.2M	-3.1M
25-Jul					
3.30pm	GBP	CBI Realized Sales	-16.00	0.00	-42.00
6.00pm	USD	Core Durable Goods Orders m/m	1.20%	0.20%	0.40%
	USD	Durable Goods Orders m/m	2.00%	0.80%	-1.30%
	USD	Goods Trade Balance	-74.2B	-72.4B	-74.5B
	USD	Prelim Wholesale Inventories m/m	0.20%	0.50%	0.40%
	USD	Unemployment Claims	206K	220K	216K
8.00pm	USD	Natural Gas Storage	36B	40B	62B
Events For The Today					
11.30am	EUR	German Import Prices m/m		-0.80%	-0.10%
6.00pm	USD	Advance GDP q/q		1.80%	3.10%
	USD	Advance GDP Price Index q/q		4.00%	0.90%

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