

Base Metals

| | Previous | CMP | % Change |
|---------------|----------|---------|----------|
| Comex Copper | 2.667 | 2.674 | 0.26 |
| LME Copper | 5893.75 | 5911.75 | 0.31 |
| LME Aluminium | 1748.25 | 1748 | -0.01 |
| LME Zinc | 2237.75 | 2256 | 0.82 |
| LME Lead | 1906.25 | 1911.75 | 0.29 |
| LME Nickel | 13287.5 | 13407 | 0.90 |
| MCX Copper | 430.6 | 432.9 | 0.53 |
| MCX Aluminium | 132.6 | 132.9 | 0.23 |
| MCX Zinc | 182.75 | 183.95 | 0.66 |
| MCX Lead | 152.6 | 153 | 0.26 |
| MCX Nickel | 983.6 | 992 | 0.85 |

Base Metal Related News

Base Metals prices rose Trump's upbeat rhetoric on trade talks with China, although concerns about demand for the metal kept gains in check.

US negotiators expect a phase one deal to be signed before Dec 15, the day when the US is expected to impose additional tariffs on Chinese goods.

German factory orders fell by 0.4% month on month in October, below the forecast 0.3% increase and previous month's 1.5% rise.

The data showed that 798,800 mt of copper cathode was produced in China last month, up 2.02% from October and 7.07% from November 2018.

China's output of primary lead stood at 271,000 mt in November, 3.95% higher than October and 2.4% higher than November 2018.

China refined zinc production continued its increase in November by 0.29% and hitting new highs, on the back of capacity recovery and new projects

LME Inventory

| Commodity | LME Stock | Change | Shanghai Stock | Change | Canceled Warrants | CW as % of LME Stocks |
|-----------|-----------|--------|----------------|--------|-------------------|-----------------------|
| Copper | 193800 | -4625 | 121416 | -14845 | 80700 | 41.64 |
| Aluminium | 1280375 | -975 | 248265 | -24963 | 148100 | 11.57 |
| Zinc | 51875 | -125 | 48326 | -3938 | 14900 | 28.72 |
| Lead | 67125 | 0 | 28755 | 1757 | 2325 | 3.46 |
| Nickel | 68886 | -36 | 32737 | -122 | 30204 | 43.85 |

Base Metal Outlook

Base metals are trading higher in international markets. We expect base metal prices to trade positive as US and China is said to moving closer to a trade deal despite the tensions over HongKong and Xinjiang. US negotiators expect a phase-one deal with China to be completed before new tariffs takes place on Dec 15. Investors will be paying attention to the US monthly employment report, which is a key indicator of the country's economic health.

| Important Events For The Week | | | | | |
|-------------------------------|-----|-----------------------------------|--------|----------|----------|
| | Cur | | Actual | Forecast | Previous |
| 2-Dec | | | | | |
| 6:00am | JPY | Final Manufacturing PMI | 48.9 | 48.6 | 48.6 |
| 7:15am | CNY | Caixin Manufacturing PMI | 51.8 | 51.5 | 51.7 |
| 2:25pm | EUR | German Final Manufacturing PMI | 44.1 | 43.8 | 43.8 |
| 2:30pm | EUR | Final Manufacturing PMI | 46.9 | 46.6 | 46.6 |
| 3:00pm | GBP | Final Manufacturing PMI | 48.9 | 48.3 | 48.3 |
| 7:30pm | EUR | ECB President Lagarde Speaks | | | |
| 8:15pm | USD | Final Manufacturing PMI | 52.6 | 52.2 | 52.2 |
| 8:30pm | USD | ISM Manufacturing PMI | 48.1 | 49.2 | 48.3 |
| 8:30pm | USD | Construction Spending m/m | -0.80% | 0.30% | 0.50% |
| 8:30pm | USD | ISM Manufacturing Prices | 46.7 | 47 | 45.5 |
| 3-Dec | | | | | |
| 3:30pm | EUR | PPI m/m | 0.10% | 0.00% | 0.10% |
| All Day | USD | Wards Total Vehicle Sales | 17.1M | 16.8M | 16.6M |
| 4-Dec | | | | | |
| 7:15am | CNY | Caixin Services PMI | 53.5 | 51.2 | 51.1 |
| 2:25pm | EUR | German Final Services PMI | 51.7 | 51.3 | 51.3 |
| 2:30pm | EUR | Final Services PMI | 51.9 | 51.5 | 51.5 |
| 3:00pm | GBP | Final Services PMI | 49.3 | 48.6 | 48.6 |
| 6:45pm | USD | ADP Non-Farm Employment Change | 67K | 140K | 125K |
| 8:15pm | USD | Final Services PMI | 51.6 | 51.6 | 51.6 |
| 8:30pm | USD | ISM Non-Manufacturing PMI | 53.9 | 54.5 | 54.7 |
| | USD | FOMC Member Quarles Speaks | | | |
| 9:00pm | USD | Crude Oil Inventories | -4.9M | | 1.6M |
| 5-Dec | | | | | |
| 12:30pm | EUR | German Factory Orders m/m | -0.40% | 0.50% | 1.30% |
| All Day | All | OPEC Meetings | | | |
| 3:30pm | EUR | Retail Sales m/m | -0.60% | -0.40% | 0.10% |
| 3:30pm | EUR | Revised GDP q/q | 0.20% | 0.20% | 0.20% |
| All Day | EUR | Eurogroup Meetings | | | |
| 6:00pm | USD | Challenger Job Cuts y/y | | | -33.50% |
| 7:00pm | USD | Trade Balance | -47.2B | -48.7B | -52.5B |
| | USD | Unemployment Claims | 203K | 215K | 213K |
| 8:30pm | USD | FOMC Member Quarles Speaks | | | |
| | USD | Factory Orders m/m | 0.30% | 0.30% | -0.60% |
| 9:00pm | USD | Natural Gas Storage | -19B | -22B | -28B |
| EVENTS FOR TODAY | | | | | |
| 12:30pm | EUR | German Industrial Production m/m | -1.70% | 0.20% | -0.60% |
| All Day | All | OPEC-JMMC Meetings | | | |
| All Day | EUR | ECOFIN Meetings | | | |
| 7:00pm | USD | Average Hourly Earnings m/m | | 0.30% | 0.20% |
| | USD | Non-Farm Employment Change | | 189K | 128K |
| | USD | Unemployment Rate | | 3.60% | 3.60% |
| 8:30pm | USD | Prelim UoM Consumer Sentiment | | 97 | 96.8 |
| | USD | Final Wholesale Inventories m/m | | 0.20% | 0.20% |
| | USD | Prelim UoM Inflation Expectations | | | 2.50% |

6th December 2019

Narnolia Financial Advisors Ltd | Market Strategy Desk

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