

Base Metals

	Previous	CMP	% Change
Comex Copper	2.812	2.813	0.04
LME Copper	6190.75	6186	-0.08
LME Aluminium	1800	1799	-0.06
LME Zinc	2392	2387	-0.21
LME Lead	1908.75	1916.5	0.41
LME Nickel	14055	14210	1.10
MCX Copper	451.85	452.85	0.22
MCX Aluminium	140.65	140.6	-0.04
MCX Zinc	183.25	183.2	-0.03
MCX Lead	151.2	151.5	0.20
MCX Nickel	1039.2	1046.7	0.72

Base Metal Related News

Base metals mixed with easing tensions between Iran and the United States providing a slight boost to risk sentiment.

Trump said Iran "appears to be standing down" after the latter fired missiles at two bases in Iraq that house US troops, while also advocated further sanctions against Iran rather than a military response.

Chinese data showed the CPI rose by 4.5% in the final month of last year, flat from November but below analysts' predictions of a 4.7% increase.

LME zinc stocks remain low at some 50,175 tonnes total, prompting the uptick in price action.

China's copper cathode production is estimated to slip to 734,900 mt in January from 805,500 tonnes in Dec, as cash flow issues and environmental restrictions lead to production reduction at some smelters.

China's primary aluminium output climbed to 3.04 million mt in December, to produce a year-over-year increase of 1.47%.

LME Inventory

Commodity	LME Stock	Change	Shanghai Stock	Change	Canceled Warrants	CW as % of LME Stocks
Copper	135800	-2600	141317	17670	-1975	29.57
Aluminium	1422625	-13725	188027	2900	-7575	35.69
Zinc	51375	1200	30806	2752	-275	16.39
Lead	66525	0	44762	200	0	7.03
Nickel	167910	1812	37304	-103	732	17.26

Base Metal Outlook

Base metals are trading mixed in international markets. We expect base metal prices to rangebound at lower levels as US-China decides a date to sign the phase I agreement next week, however inflation figure stoke fears about further stimulus measure from China. During the evening session, the US unemployment claims to be released today. One can buy Nickel and Copper at lower levels.

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Important Events For The Week					
	Cur		Actual	Forecast	Previous
6-Jan					
6:00am	JPY	Final Manufacturing PMI			48.8
7:15am	CNY	Caixin Services PMI	52.5	53.2	53.5
12:30pm	EUR	German Retail Sales m/m	2.10%	1.10%	-1.90%
All Day	EUR	Italian Bank Holiday			
1:45pm	EUR	Spanish Services PMI	54.9	53.9	53.2
2:30pm	EUR	Final Services PMI	52.8	52.4	52.4
3:00pm	EUR	Sentix Investor Confidence	7.6	3	0.7
	GBP	Final Services PMI	50	49.1	49
3:30pm	EUR	PPI m/m	0.20%	0.10%	0.10%
8:15pm	USD	Final Services PMI	52.8	52.2	52.2
7-Jan					
3:30pm	EUR	CPI Flash Estimate y/y	1.30%	1.30%	1.00%
	EUR	Core CPI Flash Estimate y/y	1.30%	1.30%	1.30%
	EUR	Retail Sales m/m	0.20%	0.60%	-0.60%
7:00pm	USD	Trade Balance	-43.1B	-44.5B	-47.2B
8:30pm	USD	ISM Non-Manufacturing PMI	55	54.5	53.9
	USD	Factory Orders m/m	-0.70%	-0.60%	0.30%
8-Jan					
10:30am	JPY	Consumer Confidence	39.1	39.6	38.7
12:30pm	EUR	German Factory Orders m/m	-1.30%	0.20%	-0.40%
6:45pm	USD	ADP Non-Farm Employment Change	202K	160K	67K
8:30pm	USD	FOMC Member Brainard Speaks			
9:00pm	USD	Crude Oil Inventories	1.2M	-3.4M	-11.5M
11:31pm	USD	10-y Bond Auction			1.84 2.4
EVENTS FOR TODAY					
7:00am	CNY	CPI y/y	4.50%	4.70%	4.50%
	CNY	PPI y/y	-0.50%	-0.40%	-1.40%
12:30pm	EUR	German Industrial Production m/m		0.90%	-1.70%
	EUR	German Trade Balance		20.9B	20.6B
3:30pm	EUR	Unemployment Rate		7.50%	7.50%
6:30pm	USD	FOMC Member Clarida Speaks			
7:00pm	USD	Unemployment Claims		221K	222K
9:00pm	USD	Natural Gas Storage		-51B	-58B
10:00pm	USD	FOMC Member Williams Speaks			
11:31pm	USD	30-y Bond Auction			2.31 2.5
10-Jan					
10th-15th	CNY	New Loans		1250B	1390B
10th-15th	CNY	M2 Money Supply y/y		8.40%	8.20%
7:00pm	USD	Average Hourly Earnings m/m		0.30%	0.20%
	USD	Non-Farm Employment Change		150K	266K
	USD	Unemployment Rate		3.50%	3.50%
8:30pm	USD	Final Wholesale Inventories m/m		0.00%	0.00%

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