

Base Metals

	Previous	CMP	% Change
Comex Copper	2.867	2.846	-0.73
LME Copper	6308.75	6265	-0.69
LME Aluminium	1808.75	1804	-0.26
LME Zinc	2373.5	2363.5	-0.42
LME Lead	1952	1968.5	0.85
LME Nickel	13887.5	13727.5	-1.15
MCX Copper	453.85	452	-0.41
MCX Aluminium	140.35	139.8	-0.39
MCX Zinc	182.15	181.85	-0.16
MCX Lead	152.25	152.7	0.30
MCX Nickel	1018.3	1012	-0.62

Base Metal Related News

Base metals neutral amid overall optimism for the signing of a “phase one” trade agreement between China and the United States.

A phase-one U.S.-China trade deal is tentatively scheduled to be signed by U.S. President Donald Trump on Wednesday.

The US sanctioned 17 Iranian metals producers but the impact to global supply would be minimal as the country is not a major producer.

The cif Shanghai copper premium rebounded slightly in the week ended Tuesday January 14 after tumbling to its lowest level in almost three years in the week prior amid sell-offs at the end of 2019.

Nickel discount for cash metal against the 3M is at \$US87, suggested ample nearby supply. The metal has fallen nearly 40% from a high in September.

U.S. dollar bonds issued by a state-owned aluminium producer from China’s western province of Qinghai plunged on Wednesday after S&P Global Ratings downgraded the company following the missed bond payment

LME Inventory

Commodity	LME Stock	Change	Shanghai Stock	Change	Canceled Warrants	CW as % of LME Stocks
Copper	128050	-50	141317	17670	33175	25.91
Aluminium	1364925	-13300	188027	2900	658400	48.24
Zinc	51650	-150	30806	2752	7850	15.20
Lead	66450	-25	44762	200	12850	19.34
Nickel	178584	984	37304	-103	46800	26.21

Base Metal Outlook

Base metals are trading lower in international markets. We expect base metal prices to trade sideways to negative after US Secretary says that the tariffs on China will not removed until Phase II trade deal agreement is signed. This news erased gains in the base metals. One can maintain sell on rise strategy in base metals for the day.

15th January 2020

Narnolia Financial Advisors Ltd | Market Strategy Desk

Important Events For The Week					
	Cur		Actual	Forecast	Previous
13-Jan					
12:30pm	EUR	German WPI m/m	0%	0.20%	-0.10%
3:00pm	GBP	GDP m/m	-0.30%	0.00%	0.00%
	GBP	Industrial Production m/m	-1.20%	-0.10%	0.10%
14-Jan					
Tentative	CNY	Trade Balance	329B	315B	274B
14th-18th	CNY	Foreign Direct Investment ytd/y			6.00%
10:30am	JPY	Economy Watchers Sentiment	39.8	40.9	39.4
14th-15th	CNY	New Loans		1250B	1390B
14th-15th	CNY	M2 Money Supply y/y		8.40%	8.20%
4:30pm	USD	NFIB Small Business Index	102.9	104.9	104.7
7:00pm	USD	CPI m/m	0.20%	0.20%	0.30%
	USD	Core CPI m/m	0.10%	0.20%	0.20%
7:30pm	USD	FOMC Member Williams Speaks			
Tentative	USD	IBD/TIPP Economic Optimism	57.4	57.3	57
EVENTS FOR TODAY					
5:20am	JPY	M2 Money Stock y/y		2.70%	2.80%
6:00am	JPY	BOJ Gov Kuroda Speaks			
3:00pm	GBP	CPI y/y		1.50%	1.50%
	GBP	Core CPI y/y		1.70%	1.70%
3:30pm	EUR	Industrial Production m/m		0.30%	-0.50%
	EUR	Trade Balance		22.3B	24.5B
7:00pm	USD	Core PPI m/m		0.20%	-0.20%
	USD	PPI m/m		0.20%	0.00%
	USD	Empire State Manufacturing Index		4.1	3.5
9:00pm	USD	Crude Oil Inventories			1.2M
9:30pm	USD	FOMC Member Harker Speaks			
10:30pm	USD	FOMC Member Kaplan Speaks			
12:30am	USD	Beige Book			
16-Jan					
5:20am	JPY	Core Machinery Orders m/m		3.10%	-6.00%
	JPY	PPI y/y		0.90%	0.10%
12:30pm	EUR	German Final CPI m/m		0.50%	0.50%
7:00pm	USD	Core Retail Sales m/m		0.50%	0.10%
	USD	Retail Sales m/m		0.30%	0.20%
	USD	Philly Fed Manufacturing Index		4.5	0.3
	USD	Unemployment Claims		220K	214K
8:30pm	USD	FOMC Member Bowman Speaks			
	USD	Business Inventories m/m		-0.10%	0.20%
	USD	NAHB Housing Market Index		74	76
9:00pm	USD	Natural Gas Storage			-44B
11:30pm	EUR	ECB President Lagarde Speaks			
17-Jan					
7:30am	CNY	GDP q/y		6.00%	6.00%
	CNY	Fixed Asset Investment ytd/y		5.20%	5.20%
	CNY	Industrial Production y/y		6.20%	6.20%
	CNY	NBS Press Conference			
	CNY	Retail Sales y/y		7.90%	8.00%
	CNY	Unemployment Rate			5.10%
10:00am	JPY	Tertiary Industry Activity m/m		1.00%	-4.60%
2:30pm	EUR	Current Account		34.3B	32.4B
3:00pm	GBP	Retail Sales m/m		0.80%	-0.60%
3:30pm	EUR	Final CPI y/y		1.30%	1.30%
	EUR	Final Core CPI y/y		1.30%	1.30%
7:00pm	USD	Building Permits		1.47M	1.48M
	USD	Housing Starts		1.38M	1.37M
7:30pm	USD	FOMC Member Harker Speaks			
7:45pm	USD	Capacity Utilization Rate		77.20%	77.30%
	USD	Industrial Production m/m		0.00%	1.10%
8:30pm	USD	Prelim UoM Consumer Sentiment		99.2	99.3
	USD	Prelim UoM Inflation Expectations			2.30%
11:15pm	USD	FOMC Member Quarles Speaks			

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