

Base Metals

	Previous	CMP	% Change
Comex Copper	2.542	2.596	2.12
LME Copper	5635.75	5746.25	1.96
LME Aluminium	1698.5	1713	0.85
LME Zinc	2183.25	2208.5	1.16
LME Lead	1839.75	1840	0.01
LME Nickel	12945	13215	2.09
MCX Copper	428.6	435.45	1.60
MCX Alumini	135.4	136.3	0.66
MCX Zincmini	171.45	172.45	0.58
MCX Leadmini	145.2	145.4	0.14
MCX Nickel	946.3	961.6	1.62

Base Metal Related News

Base metals prices on the Shanghai Futures Exchange largely held up during morning trading on Wednesday February 5 after the People's Bank of China made a second capital injection in as many days.

Preliminary tests showed that two drugs - Abidol and Darunavir – can effectively inhibit the virus in vitro cell experiments, according to Li, who is also a professor at Zhejiang University.

The central bank added another 400 billion yuan (\$57.1 billion) of liquidity into Chinese markets via open market reverse repo operations on Tuesday following a similar injection of around 1.2 trillion yuan on Monday.

Price spreads on the London Metal Exchange drove aluminium premiums higher in Europe in the week to Tuesday February 4, while premiums in the United States came under pressure from low demand.

China's top copper smelters are cutting production, with lead and zinc plants vulnerable to similar moves, amid deepening constraints on stockpiles and logistics caused by the country's extended shutdown.

LME Inventory

Commodity	LME			Shanghai			CW as % of LME Stocks
	Stock	Change	Warrants	Stock	Change	Warrants	
Copper	176575	-925	32800	134812	1067	32800	18.58
Aluminium	1270064	-15825	428150	220087	26188	428150	33.71
Zinc	49625	0	7550	40433	8666	7550	15.21
Lead	66750	0	16000	28306	-13494	16000	23.97
Nickel	200454	912	75384	36434	-469	75384	37.61

Base Metal Outlook

Base metals are trading higher in international markets. We expect base metal prices are expected to rebound on the news that China has tested two drugs for the cure from coronavirus and China's central banks liquidity infusion providing some respite. However, despite firm prices, outlook still remains bearish as China might lower its growth target for 2020. One can maintain buy on dips in Metals for the day.

5th February 2020

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Important Events For The Week					
	Cur		Actual	Forecast	Previous
3-Feb					
6:00am	JPY	Final Manufacturing PMI	48.8	49.3	49.3
7:15am	CNY	Caixin Manufacturing PMI	51.1	51	51.5
2:25pm	EUR	German Final Manufacturing PMI	45.3	45.2	45.2
2:30pm	EUR	Final Manufacturing PMI	47.9	47.8	47.8
3:00pm	GBP	Final Manufacturing PMI	50	49.8	49.8
8:15pm	USD	Final Manufacturing PMI	51.9	51.7	51.7
8:30pm	USD	ISM Manufacturing PMI	50.9	48.5	47.2
	USD	Construction Spending m/m	-0.20%	0.50%	0.60%
	USD	ISM Manufacturing Prices	53.3	52	51.7
All Day	USD	Wards Total Vehicle Sales	16.8M		16.7M
4-Feb					
3:00pm	GBP	Construction PMI	48.4	48.1	44.4
3:30pm	EUR	PPI m/m	0.00%	0.10%	0.20%
8:30pm	USD	Factory Orders m/m	1.80%	0.70%	-0.70%
Tentative	USD	IBD/TIPP Economic Optimism	59.8	58.3	57.4
EVENTS FOR TODAY					
7:15am	CNY	Caixin Services PMI	51.8	52	52.5
2:25pm	EUR	German Final Services PMI	54.2	54.2	54.2
2:30pm	EUR	Final Services PMI	52.5	52.2	52.2
3:00pm	GBP	Final Services PMI		52.9	52.9
3:30pm	EUR	Retail Sales m/m		-0.50%	1.00%
5:45pm	EUR	ECB President Lagarde Speaks			
6:45pm	USD	ADP Non-Farm Employment Change		150K	202K
7:00pm	USD	Trade Balance		-47.4B	-43.1B
8:15pm	USD	Final Services PMI		53.2	53.2
8:30pm	USD	ISM Non-Manufacturing PMI		55.1	55
9:00pm	USD	Crude Oil Inventories			3.5M
6-Feb					
12:30pm	EUR	German Factory Orders m/m		0.60%	-1.30%
1:30pm	EUR	ECB President Lagarde Speaks			
3:30pm	EUR	EU Economic Forecasts			
Tentative	EUR	French 10-y Bond Auction			
6:00pm	USD	Challenger Job Cuts y/y			-25.20%
7:00pm	USD	Prelim Nonfarm Productivity q/q		1.40%	-0.20%
	USD	Unemployment Claims		210K	216K
7:45pm	USD	FOMC Member Kaplan Speaks			
9:00pm	USD	Natural Gas Storage			-201B
7-Feb					
5:00am	JPY	Average Cash Earnings y/y		-0.10%	0.10%
	JPY	Household Spending y/y		-1.50%	-2.00%
5:45am	USD	FOMC Member Quarles Speaks			
Tentative	CNY	Trade Balance			329B
Tentative	CNY	USD-Denominated Trade Balance		36.8B	46.8B
12:30pm	EUR	German Industrial Production m/m		-0.20%	1.10%
	EUR	German Trade Balance		16.4B	18.3B
7:00pm	USD	Average Hourly Earnings m/m		0.30%	0.10%
	USD	Non-Farm Employment Change		160K	145K
	USD	Unemployment Rate		3.50%	3.50%
8:30pm	USD	Final Wholesale Inventories m/m		-0.10%	-0.10%

5th February 2020

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Correspondence Office Address: Arch Waterfront, 5th Floor, Block GP, Saltlake, Sector 5, Kolkata 700 091; Tel No.: 033-40541700; www.narnolia.com.

Registered Office Address: Marble Arch, Office 201, 2nd Floor, 236B, AIC Bose Road, Kolkata 700 020; Tel No.: 033-4050 1500; www.narnolia.com

Compliance Officer: Manish Kr Agarwal, Email ID: mkaragwal@narnolia.com, Contact No.:033-40541700.

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