

### Base Metals

|               | Previous | CMP     | % Change |
|---------------|----------|---------|----------|
| Comex Copper  | 2.593    | 2.567   | -1.00    |
| LME Copper    | 5744     | 5690.5  | -0.93    |
| LME Aluminium | 1740.5   | 1733    | -0.43    |
| LME Zinc      | 2212.25  | 2180.75 | -1.42    |
| LME Lead      | 1847.25  | 1830.25 | -0.92    |
| LME Nickel    | 13107.5  | 13052.5 | -0.42    |
| MCX Copper    | 435.5    | 432.65  | -0.65    |
| MCX Alumiini  | 138.6    | 138.1   | -0.36    |
| MCX Zincmini  | 172.2    | 171.25  | -0.55    |
| MCX Leadmini  | 146      | 145.65  | -0.24    |
| MCX Nickel    | 957.1    | 956.2   | -0.09    |

### Base Metal Related News

Base metals prices dropped on Friday as the death toll from a coronavirus outbreak mounted, raising fears of potential economic damage and disruptions to the global supply chain.

More than 630 people had died and over 30,000 infected in China due to the coronavirus outbreak, latest data showed.

China's economy could be disrupted in the first quarter due to the outbreak, but it is expected to recover once the virus is brought under control, a vice governor of the central bank said.

The first battery-grade nickel and cobalt project in Indonesia using high-pressure acid leaching technology could start commissioning in the second half of 2020.

China's announcement to halve tariffs on \$75 billion of US goods from next week had generated optimism, concerns remain over the outbreak of the novel coronavirus in the country and its impact on the economy.

### LME Inventory

| Commodity | LME Stock | Change | Shanghai Stock | Change | Canceled Warrants | CW as % of LME Stocks |
|-----------|-----------|--------|----------------|--------|-------------------|-----------------------|
| Copper    | 171525    | -3275  | 134812         | 1067   | 37500             | 21.86                 |
| Aluminium | 1238464   | -14800 | 220087         | 26188  | 404350            | 32.65                 |
| Zinc      | 62675     | 9725   | 40433          | 8666   | 7175              | 11.45                 |
| Lead      | 66800     | 75     | 28306          | -13494 | 8075              | 12.09                 |
| Nickel    | 203946    | 3522   | 36434          | -469   | 79554             | 39.01                 |

### Base Metal Outlook

Base metals are trading lower in international markets. We expect base metal prices to trade negative as China growth in the first quarter of 2020 would slow down to 5% as the coronavirus has substantial negative impact on the Chinese economy. One can maintain sell on rise in Metals for the day.

| Important Events For The Week |     |                                  |        |          |          |
|-------------------------------|-----|----------------------------------|--------|----------|----------|
|                               | Cur |                                  | Actual | Forecast | Previous |
| <b>3-Feb</b>                  |     |                                  |        |          |          |
| 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    |
| <b>4-Feb</b>                  |     |                                  |        |          |          |
| 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     |
| <b>5-Feb</b>                  |     |                                  |        |          |          |
| 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               | 53.9   | 52.9     | 52.9     |
| 3:30pm                        | EUR | Retail Sales m/m                 | -1.60% | -0.50%   | 1.00%    |
| 5:45pm                        | EUR | ECB President Lagarde Speaks     |        |          |          |
| 6:45pm                        | USD | ADP Non-Farm Employment Change   | 291K   | 150K     | 202K     |
| 7:00pm                        | USD | Trade Balance                    | -48.9B | -47.4B   | -43.1B   |
| 8:15pm                        | USD | Final Services PMI               | 53.4   | 53.2     | 53.2     |
| 8:30pm                        | USD | ISM Non-Manufacturing PMI        | 55.5   | 55.1     | 55       |
| 9:00pm                        | USD | Crude Oil Inventories            | 3.4M   | 2.9M     | 3.5M     |
| <b>6-Feb</b>                  |     |                                  |        |          |          |
| 12:30pm                       | EUR | German Factory Orders m/m        | -2.10% | 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          | 27.80% |          | -25.20%  |
| 7:00pm                        | USD | Prelim Nonfarm Productivity q/q  | 1.40%  | 1.40%    | -0.20%   |
|                               | USD | Unemployment Claims              | 202K   | 210K     | 216K     |
| 7:45pm                        | USD | FOMC Member Kaplan Speaks        |        |          |          |
| 9:00pm                        | USD | Natural Gas Storage              | -137B  | -123B    | -201B    |
| <b>EVENTS FOR TODAY</b>       |     |                                  |        |          |          |
| 5:00am                        | JPY | Average Cash Earnings y/y        | 0%     | -0.10%   | 0.10%    |
|                               | JPY | Household Spending y/y           | -4.80% | -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 | -3.50% | -0.20%   | 1.10%    |
|                               | EUR | German Trade Balance             | 19.2B  | 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%   |

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Narnolia Financial Advisors Ltd | Market Strategy Desk

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Correspondence Office Address: Arch Waterfront, 5<sup>th</sup> Floor, Block GP, Saltlake, Sector 5, Kolkata 700 091; Tel No.: 033-40541700; [www.narnolia.com](http://www.narnolia.com).

Registered Office Address: Marble Arch, Office 201, 2<sup>nd</sup> Floor, 236B, AIC Bose Road, Kolkata 700 020; Tel No.: 033-4050 1500; [www.narnolia.com](http://www.narnolia.com)

Compliance Officer: Manish Kr Agarwal, Email ID: [mkaragwal@narnolia.com](mailto:mkaragwal@narnolia.com), Contact No.: 033-40541700.

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