

Base Metals

	Previous	CMP	% Change
Comex Copper	2.604	2.591	-0.50
LME Copper	5762	5743.5	-0.32
LME Aluminium	1733.75	1733.75	0.00
LME Zinc	2154.75	2156.5	0.08
LME Lead	1851.75	1856	0.23
LME Nickel	13152.5	13190	0.29
MCX Copper	435.25	433.1	-0.49
MCX Alumini	138.35	138.25	-0.07
MCX Zincmini	168.05	168.4	0.21
MCX Leadmini	145.85	145.55	-0.21
MCX Nickel	953.8	953	-0.08

Base Metal Related News

Base metals prices slightly rose higher as market sentiment was lifted amid optimism that the economic impact of the coronavirus will be contained.

China Coronavirus total cases rise to 59,804 as of February 12.

China's Ministry of Finance allocated 1.848 trillion yuan of a new local government bond quota to help local authorities offset the negative impact of the coronavirus and stabilize a slowing economy.

Sales of automobile in China are expected to decline 18% year on year to 1.94 million mt in January, according to data from the CAAM. This would be down 27% from December.

The potential output cut on rising stocks of sulphuric acid and feedstock shortage may cap any downside room in zinc prices.

Asian stock markets wobbled and the safe-havens of the Japanese yen, gold and bonds rose as the number of new coronavirus cases at the outbreak's epicentre jumped sharply.

LME Inventory

Commodity	LME			Shanghai			CW as % of LME Stocks
	Stock	Change	Warrants	Stock	Change	Warrants	
Copper	164575	-2525	29075	134812	1067	1300	17.67
Aluminium	1216514	-11200	386850	220087	26188	8025	31.80
Zinc	72500	-100	1300	97922	8666	1300	1.79
Lead	66750	-50	8025	28306	-13494	8025	12.02
Nickel	210066	324	81258	36434	-469	81258	38.68

China

Base metals are trading higher in international markets. We expect base metal prices to trade sideways to negative after China's Hubei region records new cases of coronavirus patients and on slowdown in automobile sector. Also, the lockdown in transportation of rawmaterial is hurting production leading to accumulation of inventory. One can maintain sell on rise in Metals for the day.

13th February 2020

Narnolia Financial Advisors Ltd | Market Strategy Desk

Important Events For The Week					
	Cur		Actual	Forecast	Previous
10-Feb					
5:20am	JPY	Bank Lending y/y	1.90%	1.70%	1.80%
	JPY	Current Account	1.71T	1.68T	1.79T
7:00am	CNY	CPI y/y	5.40%	4.90%	4.50%
	CNY	PPI y/y	0.10%	0.10%	-0.50%
10:30am	JPY	Economy Watchers Sentiment	41.9	39.2	39.8
3:00pm	EUR	Sentix Investor Confidence	5.2	6.1	7.6
6:45pm	USD	FOMC Member Bowman Speaks			
1:45am	USD	FOMC Member Harker Speaks			
11-Feb					
All Day	JPY	Bank Holiday			
11th-15th	CNY	New Loans		3100B	1140B
11th-15th	CNY	M2 Money Supply y/y		8.60%	8.70%
3:00pm	GBP	Prelim GDP q/q	0.00%	0.00%	0.40%
	GBP	GDP m/m	0.30%	0.20%	-0.30%
	GBP	Goods Trade Balance	0.8B	-10.0B	-5.3B
	GBP	Industrial Production m/m	0.10%	0.30%	-1.20%
	GBP	Prelim Business Investment q/q			0.00%
4:30pm	USD	NFIB Small Business Index	104.3	103.6	102.7
Tentative	GBP	NIESR GDP Estimate			0.00%
7:30pm	EUR	ECB President Lagarde Speaks			
8:30pm	USD	Fed Chair Powell Testifies			
	USD	JOLTS Job Openings	6.42M	6.93M	6.80M
9:05pm	GBP	BOE Gov Carney Speaks			
10:30pm	GBP	MPC Member Haskel Speaks			
10:45pm	USD	FOMC Member Quarles Speaks			
12:45am	USD	FOMC Member Kashkari Speaks			
12-Feb					
5:20am	JPY	M2 Money Stock y/y	2.80%	2.80%	2.70%
11th-18th	CNY	Foreign Direct Investment ytd/y			6.00%
3:30pm	EUR	Industrial Production m/m	-2.10%	-1.80%	0.20%
7:00pm	USD	FOMC Member Harker Speaks			
8:30pm	USD	Fed Chair Powell Testifies			
9:00pm	USD	Crude Oil Inventories	7.5M	3.1M	3.4M
11:31pm	USD	10-y Bond Auction	1.62 2.6		1.87 2.4
7:45pm	USD	FOMC Member Kaplan Speaks			
EVENTS FOR TODAY					
5:20am	JPY	PPI y/y	1.70%	1.50%	0.90%
12:30pm	EUR	German Final CPI m/m	-0.60%	-0.60%	-0.60%
3:30pm	EUR	EU Economic Forecasts			
7:00pm	USD	CPI m/m		0.20%	0.20%
	USD	Core CPI m/m		0.20%	0.10%
	USD	Unemployment Claims		210K	202K
9:00pm	USD	Natural Gas Storage			-137B
14-Feb					
12:30pm	EUR	German Prelim GDP q/q		0.10%	0.10%
	EUR	German WPI m/m		0.30%	0.00%
	EUR	Flash GDP q/q		0.10%	0.10%
	EUR	Trade Balance		19.1B	19.2B
7:00pm	USD	Core Retail Sales m/m		0.30%	0.70%
	USD	Retail Sales m/m		0.30%	0.30%
7:45pm	USD	Industrial Production m/m		-0.20%	-0.30%
8:30pm	USD	Prelim UoM Consumer Sentiment		99	99.8
	USD	Business Inventories m/m		0.10%	-0.20%
	USD	Prelim UoM Inflation Expectations			2.50%
10:15pm	USD	FOMC Member Mester Speaks			

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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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