

Base Metals

	Previous	CMP	% Change
Comex Copper	2.613	2.608	-0.19
LME Copper	5789.5	5773.25	-0.28
LME Aluminium	1752.75	1738	-0.84
LME Zinc	2173.25	2151	-1.02
LME Lead	1882.5	1867	-0.82
LME Nickel	13257	13152.5	-0.79
MCX Copper	435.6	434.2	-0.32
MCX Alumini	139.2	138.4	-0.57
MCX Zincmini	169.7	167.55	-1.27
MCX Leadmini	147.45	146.1	-0.92
MCX Nickel	961.3	955	-0.66

Base Metal Related News

Base metals prices diverge amid sustained concerns over the novel coronavirus (2019-nCoV) situation in China.

The death toll in China's Hubei province, the epicentre of the epidemic, has risen by 116, with the total number of cases up by nearly 5,000.

Major smelter in Henan cut zinc and lead output to counter the growing sulphuric acid inventory. It produced 300,000 mt of refined zinc per year before the cutback. Its production of lead ingots also started to shrink in Feb

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

Norsk Hydro is currently forecasting a primary aluminium surplus in 2020 of 800,000-1.1 million tonnes.

Global shares eased, as investors were spooked by the sharp rise in the number of coronavirus cases in China this week while oil prices extended gains on hopes of more production cuts.

LME Inventory

Commodity	LME Stock		Shanghai Stock		Canceled Warrants	CW as % of LME
	Change		Change			Stocks
Copper	162400	-2175	191296	56484	29075	17.90
Aluminium	1201964	-14550	256220	36133	386850	32.18
Zinc	74825	2325	121804	23882	1300	1.74
Lead	66750	0	37819	9513	8025	12.02
Nickel	212094	2028	36023	-411	81258	38.31

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Base metals are trading lower 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.

14th 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			
13-Feb					
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	0.10%	0.20%	0.20%
	USD	Core CPI m/m	0.20%	0.20%	0.10%
	USD	Unemployment Claims	205K	210K	202K
9:00pm	USD	Natural Gas Storage	-115B	-106B	-137B
EVENTS FOR TODAY					
12:30pm	EUR	German Prelim GDP q/q	0%	0.10%	0.10%
	EUR	German WPI m/m	0.30%	0.30%	0.00%
3:30pm	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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