

Base Metals

	Previous	CMP	% Change
Comex Copper	2.334	2.353	0.81
LME Copper	5229.75	5227	-0.05
LME Aluminium	1478.75	1475.75	-0.20
LME Zinc	1989.5	1978.5	-0.55
LME Lead	1631.75	1626.5	-0.32
LME Nickel	12280	12277	-0.02
MCX Copper	401.75	400.25	-0.37
MCX Aluminium	129.95	130.1	0.12
MCX Zinc	153.1	153.15	0.03
MCX Lead	130.65	130.4	-0.19
MCX Nickel	927.6	925	-0.28

Base Metal Related News

Base metal prices lower as caution remains over a potential resurgence in coronavirus infections following the easing of lockdown restrictions.

Fastmarkets assessed the copper grade A cathode premium, cif Shanghai at \$85-97 per tonne, up by \$3-12 per tonne from \$73-94 per tonne a week earlier but down from a recent high of \$85-100 per tonne on May 6.

Consumption recovery and supply cuts have improved the fundamentals for nickel from Q1, and inventories fell.

The US dollar fell as the US Federal Reserve started its long-anticipated program to buy corporate bonds and the ETF that track them, but declines were kept in check by growing fears of a second wave of infections.

China announced a new list of 79 US products eligible for waivers from retaliatory tariffs imposed at the height of the bilateral trade wars.

Lockdowns and quarantine measures have taken a particularly heavy toll of the zinc supply chain, with mine closures in key producer countries such as Peru and Mexico.

LME Inventory (12/05/2020)

Commodity	LME Stock	Change	Shanghai Stock	Change	Canceled Warrants	CW as % of LME
						Stocks
Copper	277850	-11925	295199	-14562	-1150	12.03
Aluminium	1320989	7275	482415	25450	-2675	14.08
Zinc	74400	-650	138746	-6352	-850	11.46
Lead	72601	275	14910	-437	250	21.04
Nickel	234477	264	30376	-179	-210	16.51

Base Metal Outlook

Base metals are trading lower today. We expect base metal prices to trade sideways to positive on slightly weaker dollar ahead of US Fed Powell speech but gains will be limited after the second wave of coronavirus cases emerges and weak inflation data in China and lower stimulus actions by China indicates weakness in base metal complex.

Important Events For The Week					
	Cur		Actual	Forecast	Previous
12-May					
7:00am	CNY	CPI y/y	3.30%	3.70%	4.30%
	CNY	PPI y/y	-3.10%	-2.60%	-1.50%
12th-18th	CNY	Foreign Direct Investment ytd/y			-10.80%
12th-15th	CNY	M2 Money Supply y/y	10.30%	10.30%	10.10%
12th-15th	CNY	New Loans	1300B	1300B	2850B
3:30pm	USD	NFIB Small Business Index	90.9	86.7	96.4
6:00pm	USD	CPI m/m	-0.80%	-0.70%	-0.40%
	USD	Core CPI m/m	-0.40%	-0.20%	-0.10%
7:30pm	USD	FOMC Member Harker Speaks			
	USD	FOMC Member Quarles Speaks			
12th-15th	USD	Mortgage Delinquencies	4.36%		3.77%
10:31pm	USD	10-y Bond Auction			0.78 2.4
11:30pm	USD	Federal Budget Balance	-737.9B		-119.1B
13-May					
11:30am	GBP	Prelim GDP q/q		-2.50%	0.00%
	GBP	GDP m/m		-7.90%	-0.10%
	GBP	Industrial Production m/m		-5.50%	0.10%
2:30pm	EUR	Industrial Production m/m		-12.00%	-0.10%
6:00pm	USD	Core PPI m/m		-0.10%	0.20%
	USD	PPI m/m		-0.40%	-0.20%
6:30pm	USD	Fed Chair Powell Speaks			
8:00pm	USD	Crude Oil Inventories		4.1M	4.6M
14-May					
11:30am	EUR	German Final CPI m/m		0.30%	0.30%
	EUR	German WPI m/m		-0.30%	-0.40%
1:30pm	EUR	ECB Economic Bulletin			
6:00pm	USD	Unemployment Claims			3169K
	USD	Import Prices m/m		-3.10%	-2.30%
8:00pm	USD	Natural Gas Storage			109B
15-May					
7:30am	CNY	Fixed Asset Investment ytd/y		-9.50%	-16.10%
	CNY	Industrial Production y/y		1.50%	-1.10%
	CNY	Retail Sales y/y		-5.90%	-15.80%
	CNY	Unemployment Rate		5.80%	5.90%
11:30am	EUR	German Prelim GDP q/q		-2.30%	0.00%
	EUR	German PPI m/m			-0.80%
2:30pm	EUR	Flash GDP q/q		-3.80%	-3.80%
All Day	EUR	Eurogroup Meetings			
6:00pm	USD	Core Retail Sales m/m		-8.00%	-4.50%
	USD	Retail Sales m/m		-11.00%	-8.70%
	USD	Empire State Manufacturing Index		-65	-78.2
6:45pm	USD	Capacity Utilization Rate		65.00%	72.70%
	USD	Industrial Production m/m		-11.30%	-5.40%
7:30pm	USD	Prelim UoM Consumer Sentiment		67.6	71.8
	USD	Business Inventories m/m		-0.30%	-0.40%

13th May 2020

Narnolia Financial Advisors Ltd | Market Strategy Desk

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