

Base Metals

	Previous	CMP	% Change
Comex Copper	2.408	2.416	0.33
LME Copper	5303.25	5355.75	0.99
LME Aluminium	1503.25	1510.25	0.47
LME Zinc	1984.5	1971.75	-0.64
LME Lead	1648.5	1663	0.88
LME Nickel	12265	12272.5	0.06
MCX Copper	414.1	416.15	0.50
MCX Aluminium	130.15	130.3	0.12
MCX Zinc	156.65	157.5	0.54
MCX Lead	131.35	132.15	0.61
MCX Nickel	927.7	931.5	0.41

Base Metal Related News

Base metal prices fell as investors weighed rising tensions between the US and China against mounting optimism about a potential vaccine.

The London Metal Exchange aluminium cash/three-month spread recently traded at a \$25.50 per tonne contango on Friday, narrower from as wide as \$37 at the beginning of the week.

White House National Security Advisor Robert O'Brien said the US will likely impose sanctions on China if Beijing implements national security law that would give it greater control over autonomous Hong Kong.

The London Metal Exchange is closed on Monday for the Spring Bank Holiday and reopens on May 26.

China's Tongling Nonferrous will in July start up a new 400,000 tonnes per year copper smelting project in Inner Mongolia after shutting down an older plant

Investors will also continue to watch for developments from China's National People's Congress the country's annual session of parliament.

LME Inventory (22/05/2020)

Commodity	LME Stock	Change	Shanghai Stock	Change	Canceled Warrants	CW as % of LME
						Stocks
Copper	274000	-550	175825	-33065	20925	21.82
Aluminium	1470589	-4500	322060	-30282	-3525	11.65
Zinc	74400	-250	111289	-4733	200	12.87
Lead	73576	250	7401	190	-50	20.22
Nickel	235017	-24	25149	-688	0	16.16

Base Metal Outlook

Base metals are trading higher today. We expect prices to trade sideways to positive as the conflict between China and the United States around Huawei and Hong Kong is also escalating. China NPC meeting support for stronger credit growth and easier financial conditions was welcomed but the commitment for high growth target or further detailed infrastructure spending was seen as a dent to market confidence. One can maintain sell on rise strategy in Metals for the day.

Important Events For The Week					
	Cur		Actual	Forecast	Previous
26-May					
11:30am	EUR	German GfK Consumer Climate		-19.1	-23.4
6:30pm	EUR	ECB Financial Stability Review			
	USD	HPI m/m		0.60%	0.70%
	USD	S&P/CS Composite-20 HPI y/y		3.40%	3.50%
7:30pm	USD	CB Consumer Confidence		87.1	86.9
	USD	New Home Sales		492K	627K
10:30pm	USD	FOMC Member Kashkari Speaks			
27-May					
1:00pm	EUR	ECB President Lagarde Speaks			
7:30pm	USD	Richmond Manufacturing Index		-40	-53
11:30pm	USD	Beige Book			
28-May					
All Day	EUR	German Prelim CPI m/m		0.10%	0.40%
6:00pm	USD	Prelim GDP q/q		-4.80%	-4.80%
	USD	Core Durable Goods Orders m/m		-14.20%	-0.40%
	USD	Durable Goods Orders m/m		-17.90%	-14.70%
	USD	Unemployment Claims		2100K	2438K
	USD	Prelim GDP Price Index q/q		1.30%	1.30%
7:30pm	USD	Pending Home Sales m/m		-15.00%	-20.80%
8:00pm	USD	Natural Gas Storage			81B
8:30pm	USD	Crude Oil Inventories			-5.0M
	USD	FOMC Member Williams Speaks			
29-May					
	EUR	German Retail Sales m/m		-10.00%	-5.60%
1:30pm	EUR	M3 Money Supply y/y		7.80%	7.50%
	EUR	Private Loans y/y		3.50%	3.40%
2:30pm	EUR	CPI Flash Estimate y/y		0.10%	0.30%
	EUR	Core CPI Flash Estimate y/y		0.80%	0.90%
6:00pm	USD	Core PCE Price Index m/m		-0.30%	-0.10%
	USD	Personal Spending m/m		-12.60%	-7.50%
	USD	Goods Trade Balance		-64.1B	-64.2B
	USD	Personal Income m/m		-7.00%	-2.00%
	USD	Prelim Wholesale Inventories m/m		-0.50%	-0.80%
7:15pm	USD	Chicago PMI		40.1	35.4
7:30pm	USD	Revised UoM Consumer Sentiment		73.7	73.7
	USD	Revised UoM Inflation Expectations			3.00%
8:30pm	USD	Fed Chair Powell Speaks			

26th May 2020

Narnolia Financial Advisors Ltd | Market Strategy Desk

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