

## Base Metals

	Previous	CMP	% Change
Comex Copper	2.386	2.395	0.38
LME Copper	5297	5319	0.42
LME Aluminium	1529.25	1529.7	0.03
LME Zinc	1935.75	1913.25	-1.16
LME Lead	1642.5	1628.25	-0.87
LME Nickel	12145	12157	0.10
MCX Copper	411.45	411.4	-0.01
MCX Aluminium	131.65	131	-0.49
MCX Zinc	156.15	155.4	-0.48
MCX Lead	132	131.6	-0.30
MCX Nickel	926.3	926.9	0.06

## Base Metal Related News

Base metal prices capped by risk-off sentiment created by reignited tensions between the United States and China.

The Antamina copper and zinc mine in Peru has resumed operations following its shutdown due to the Covid-19 pandemic.

Profits of industrial companies down 27.4% year on year from Jan-Apr, according to the National Bureau of Statistics (NBS). The contraction narrowed from the 36.7% decline in the first quarter

Copper concentrate TCs have dropped below the annual benchmark level of \$62/ton on force majeure and being put on care and maintenance.

Nickel full-plate cathode premiums in China dipped week on week on Tuesday May 26, with the wider arbitrage loss pressuring the market.

The US was reportedly considering sanctions on Chinese firms and officials over the situation in Hong Kong. Pompeo said he had certified that Hong Kong no longer warrants special treatment under US law.

The European Commission unveiled a 750 billion euro (\$825.23 billion) plan to prop up economies hammered by the coronavirus crisis

## LME Inventory (28/05/2020)

Commodity	LME Stock	Change	Shanghai Stock	Change	Canceled Warrants	CW as % of LME
						Stocks
Copper	266750	-850	175825	-33065	-6425	22.75
Aluminium	1505564	-700	322060	-30282	-3500	11.52
Zinc	74400	-2900	111289	-4733	-700	11.19
Lead	74451	0	7401	190	750	20.75
Nickel	234669	-696	25149	-688	318	16.13

## Base Metal Outlook

Base metals are trading lower today. We expect prices to trade negative as China's proposals for new security laws in Hong Kong, led to a further deterioration in the relationship between the US and China along with the effects of the Covid-19 pandemic exacerbating the global economic uncertainties.

Important Events For The Week					
	Cur		Actual	Forecast	Previous
<b>26-May</b>					
11:30am	EUR	German GfK Consumer Climate	-18.9	-19.1	-23.4
6:30pm	EUR	ECB Financial Stability Review			
	USD	HPI m/m	0.10%	0.60%	0.70%
	USD	S&P/CS Composite-20 HPI y/y	3.90%	3.40%	3.50%
7:30pm	USD	CB Consumer Confidence	86.6	87.1	86.9
	USD	New Home Sales	623K	492K	627K
10:30pm	USD	FOMC Member Kashkari Speaks			
<b>27-May</b>					
1:00pm	EUR	ECB President Lagarde Speaks			
7:30pm	USD	Richmond Manufacturing Index	-27	-40	-53
11:30pm	USD	Beige Book			
<b>28-May</b>					
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			
<b>29-May</b>					
	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			

28th May 2020

Narnolia Financial Advisors Ltd | Market Strategy Desk

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