

Base Metals

	Previous	CMP	% Change
Comex Copper	2.468	2.47	0.08
LME Copper	5482.75	5472	-0.20
LME Aluminium	1537.5	1530.2	-0.47
LME Zinc	2023.25	2022	-0.06
LME Lead	1678.25	1674	-0.25
LME Nickel	12582.5	12687	0.83
MCX Copper	422.4	421.75	-0.15
MCX Aluminium	132.1	132.1	0.00
MCX Zinc	161.2	161.4	0.12
MCX Lead	134.3	134.2	-0.07
MCX Nickel	952.1	954.7	0.27

Base Metal Related News

Base metal prices rose as a solid recovery in China demand and the reopening of economies from a lockdown lent support.

China refined copper prices SMM-CU-REF on Monday hit their highest since March 6, showing solid demand in top consumer China.

Beijing city considers adding 20,000 licences to new energy vehicle buyers in July-December 2020.

China has told state-owned firms to halt purchases of soybeans and pork from the US, raising concerns that the trade deal between the two nations could be in jeopardy.

Zinc prices rise on falling LME inventories and rising ratio of cancelled warrants boosted optimism around the progress of economic reopening ex-China.

The US dollar fell against a basket of currencies as risk sentiment improved on optimism that the worst of the economic downturn caused by the global spread of the coronavirus may be in the past.

LME Inventory (01/06/2020)

Commodity	LME Stock	Change	Shanghai Stock	Change	Canceled Warrants	CW as % of LME
						Stocks
Copper	258050	-6075	144988	-30837	-6125	33.28
Aluminium	1508539	-4850	296305	-25755	-5800	10.77
Zinc	74400	-1775	107445	-3844	-1075	4.37
Lead	74126	-325	8622	1221	-325	20.44
Nickel	234663	318	25461	312	0	16.18

Base Metal Outlook

Base metals are trading mixed today. We expect prices to trade positive on weakness in dollar and demand for industrial metals may increase as lockdown restriction eases in major consuming countries. However tensions between US-China and HongKong new law will limit the gains.

Important Events For The Week					
	Cur		Actual	Forecast	Previous
01-Jun					
7:15am	CNY	Caixin Manufacturing PMI	50.7	49.7	49.4
1:25pm	EUR	German Final Manufacturing PMI	36.6	36.8	36.8
1:30pm	EUR	Final Manufacturing PMI	39.4	39.5	39.5
2:00pm	GBP	Final Manufacturing PMI	40.7	40.7	40.6
7:15pm	USD	Final Manufacturing PMI	39.8	39.8	39.8
7:30pm	USD	ISM Manufacturing PMI	43.1	43.5	41.5
	USD	Construction Spending m/m	-2.90%	-6.50%	0.90%
	USD	ISM Manufacturing Prices	40.8	40	35.3
02-Jun					
11:30am	GBP	Nationwide HPI m/m		-1.00%	0.70%
All Day	EUR	Italian Bank Holiday			
All Day	USD	Wards Total Vehicle Sales			8.6M
03-Jun					
7:15am	CNY	Caixin Services PMI		47.4	44.4
12:45pm	EUR	Spanish Services PMI		24	7.1
1:15pm	EUR	Italian Services PMI		26.2	10.8
1:20pm	EUR	French Final Services PMI		29.4	29.4
1:25pm	EUR	German Final Services PMI		31.4	31.4
	EUR	German Unemployment Change		188K	373K
1:30pm	EUR	Final Services PMI		28.7	28.7
2:00pm	GBP	Final Services PMI		27.9	27.8
2:30pm	EUR	PPI m/m		-1.50%	-1.50%
	EUR	Unemployment Rate		8.20%	7.40%
5:45pm	USD	ADP Non-Farm Employment Change		-9500K	-20236K
7:15pm	USD	Final Services PMI		36.9	36.9
7:30pm	USD	ISM Non-Manufacturing PMI		44	41.8
	USD	Factory Orders m/m		-15.00%	-10.30%
8:00pm	USD	Crude Oil Inventories			7.9M
04-Jun					
5.15pm	EUR	ECB Interest rate decision		0%	0%
6.00pm	EUR	ECB Press Conference			
	USD	Unemployment Claims			2123K
	USD	Trade Balance		-41.5B	-44.4B
8.00pm	USD	Natural Gas Storage			109B
05-Jun					
11:30am	EUR	German Factory Orders m/m		-20.00%	-15.60%
1:00pm	GBP	Halifax HPI m/m		-0.70%	-0.60%
1:30pm	EUR	Italian Retail Sales m/m		-10.00%	-20.50%
6:00pm	USD	Average Hourly Earnings m/m		1.00%	4.70%
	USD	Non-Farm Employment Change		-8000K	-20500K
	USD	Unemployment Rate		19.50%	14.70%

2nd June 2020

Narnolia Financial Advisors Ltd | Market Strategy Desk

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