

Base Metals

	Previous	CMP	% Change
Comex Copper	2.486	2.522	1.45
LME Copper	5524.25	5597.5	1.33
LME Aluminium	1564.25	1575.75	0.74
LME Zinc	2026.25	2041	0.73
LME Lead	1739.75	1764	1.39
LME Nickel	12805	12977	1.34
MCX Copper	423.65	427.3	0.86
MCX Aluminium	133.8	134.6	0.60
MCX Zinc	161.45	162.6	0.71
MCX Lead	136.3	137.8	1.10
MCX Nickel	962.2	970.6	0.87

Base Metal Related News

Base metal prices rose as the European Central Bank and German government announced big stimulus packages.

The European Central Bank raised bond purchases by 600 billion euros (\$674 billion) to 1.35 trillion euros and extended their duration.

Germany government presented additional stimulus measures worth 130 billion euros (\$146 billion).

Indonesia will keep in place a ban on the export of nickel ore even as it relaxes exports of some other minerals, an official said.

Copper inventories in three major consumption areas in China extended their slide this week, falling for the 12th consecutive week as of June 5

Global zinc concentrate market is very likely to be in a tight balance in 2020, compared to a slender surplus last year, as the production recovery from the Covid-19 crisis progresses slowly.

Zinc stocks at LME extended their decline, dipping 1.56% to 96,275 mt as of June 4. Slow resumption of mines and optimism surrounding demand recovery and economic reopening supported zinc prices

LME Inventory (05/06/2020)

Commodity	LME Stock	Change	Shanghai Stock	Change	Canceled Warrants	CW as % of LME
						Stocks
Copper	243750	-4525	144988	-30837	1350	35.78
Aluminium	1521300	-4950	296305	-25755	13750	11.58
Zinc	94675	-1600	107445	-3844	-1575	1.77
Lead	75525	-25	8622	1221	-25	20.03
Nickel	232410	-396	25461	312	-60	16.34

Base Metal Outlook

Base metals are trading higher today. We expect prices to trade positive on weakness in dollar and after the another stimulus from ECB and Germany boosted the investor sentiment. During the evening session, Investors focus will shift to US employment numbers and unemployment rate therefore any huge rise will reverse the rally in metal prices.

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	8.7M	11.1M	8.6M
03-Jun					
7:15am	CNY	Caixin Services PMI	55	47.4	44.4
12:45pm	EUR	Spanish Services PMI	27.9	24	7.1
1:15pm	EUR	Italian Services PMI	28.9	26.2	10.8
1:20pm	EUR	French Final Services PMI	31.1	29.4	29.4
1:25pm	EUR	German Final Services PMI	32.6	31.4	31.4
	EUR	German Unemployment Change	238K	188K	373K
1:30pm	EUR	Final Services PMI	30.5	28.7	28.7
2:00pm	GBP	Final Services PMI	29	27.9	27.8
2:30pm	EUR	PPI m/m	-2.00%	-1.50%	-1.50%
	EUR	Unemployment Rate	7.30%	8.20%	7.40%
5:45pm	USD	ADP Non-Farm Employment Change	-2760K	-9500K	-20236K
7:15pm	USD	Final Services PMI	37.5	36.9	36.9
7:30pm	USD	ISM Non-Manufacturing PMI	45.4	44	41.8
	USD	Factory Orders m/m	-13.00%	-15.00%	-10.30%
8:00pm	USD	Crude Oil Inventories	-2.1M		7.9M
04-Jun					
5:15pm	EUR	ECB Interest rate decision	0%	0%	0%
6:00pm	EUR	ECB Press Conference			
	USD	Unemployment Claims	1877K	1820K	2123K
	USD	Trade Balance	-49.4B	-41.5B	-44.4B
8:00pm	USD	Natural Gas Storage	102	110	109B
	EUR	Trade Balance		-41.5B	-44.4B
2:30pm	EUR	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%

5th June 2020

Narnolia Financial Advisors Ltd | Market Strategy Desk

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