

### Base Metals

	Previous	CMP	% Change
Comex Copper	2.599	2.615	0.62
LME Copper	5766	5805	0.68
LME Aluminium	1602.75	1606	0.20
LME Zinc	2015.75	1998	-0.88
LME Lead	1760.25	1743	-0.98
LME Nickel	12907.5	12857	-0.39
MCX Copper	439.7	441.5	0.41
MCX Aluminium	136.15	136.25	0.07
MCX Zinc	163.35	163.1	-0.15
MCX Lead	140.6	140.5	-0.07
MCX Nickel	970.3	967.3	-0.31

### Base Metal Related News

Base metal prices supported by improved risk sentiment following continued declines in the US dollar.

Investors have turned their focus to the US Federal Reserve meeting Wednesday, where the central bank will probably shed light on various lending plans without easing further.

LME zinc inventories rose a significant 9.07%, or 8,450 mt on Tuesday to 101,575 mt. Deepened spot discounts also weighed on LME zinc

Brazilian producer Nexa Resources will reopen part of its zinc, lead and silver Atacocha unit in Peru following a local decree that regulated medium-sized mining companies can return from a Covid-19 quarantine.

With the rally in zinc prices, Chinese miners are stepping up their mining operations and shipments. This drives up raw materials inventories at Chinese smelters and eases the supply tightness of zinc concentrate.

The rally across commodities has gotten ahead of fundamentals with the exception of metals, Goldman Sachs (GS.N) said in a note adding that it was hesitant to recommend a long position this early in the cycle.

### LME Inventory (09/06/2020)

Commodity	LME Stock	Change	Shanghai Stock	Change	Canceled Warrants	CW as % of LME
						Stocks
Copper	244875	-1325	144988	-30837	13150	42.94
Aluminium	1549064	15500	296305	-25755	-5300	10.52
Zinc	74400	8450	107445	-3844	-1550	3.73
Lead	73851	0	8622	1221	50	21.02
Nickel	234357	0	25461	312	60	16.20

### Base Metal Outlook

Base metals are trading mixed today. We expect prices to trade sideways to positive on weak inflation data from China and ahead of Fed policy meeting to be held today. The weakness in price pressures should ease in the coming months, on account of ongoing ramp-up in policy stimulus.

Important Events For The Week					
	Cur		Actual	Forecast	Previous
<b>08-Jun</b>					
11:30am	EUR	German Industrial Production m/m	-17.90%	-16.00%	-9.20%
2:00pm	EUR	Sentix Investor Confidence	-24.8	-22	-41.8
7:15pm	EUR	ECB President Lagarde Speaks			
<b>09-Jun</b>					
11:30am	EUR	German Trade Balance	3.2B	11.9B	12.8B
All Day	EUR	ECOFIN Meetings			
3:30pm	USD	NFIB Small Business Index	94.4	92.1	90.9
7:30pm	USD	Final Wholesale Inventories m/m	0.30%	0.40%	0.40%
	USD	JOLTS Job Openings			6.19M
Tentative	USD	IBD/TIPP Economic Optimism	47	52.1	49.7
<b>10-Jun</b>					
7:00am	CNY	CPI y/y	2.40%	2.70%	3.30%
	CNY	PPI y/y	-3.70%	-3.20%	-3.10%
10th-15th	CNY	M2 Money Supply y/y		11.30%	11.10%
10th-15th	CNY	New Loans		1600B	1700B
6:00pm	USD	CPI m/m		0.00%	-0.80%
	USD	Core CPI m/m		0.00%	-0.40%
8:00pm	USD	Crude Oil Inventories			-2.1M
<b>11:30pm</b>	<b>USD</b>	<b>FOMC Economic Projections</b>			
	<b>USD</b>	<b>FOMC Statement</b>			
	<b>USD</b>	<b>Federal Funds Rate</b>		<b>&lt;0.25%</b>	<b>&lt;0.25%</b>
	USD	Federal Budget Balance		-600.0B	-737.9B
12:00am	USD	FOMC Press Conference			
<b>11-Jun</b>					
All Day	EUR	Eurogroup Meetings			
6:00pm	USD	Core PPI m/m		-0.10%	-0.30%
	USD	PPI m/m		0.10%	-1.30%
	USD	Unemployment Claims		1550K	1877K
8:00pm	USD	Natural Gas Storage			102B
<b>12-Jun</b>					
11th-18th	CNY	Foreign Direct Investment ytd/y			-6.10%
11:30am	GBP	GDP m/m		-18.00%	-5.80%
	GBP	Manufacturing Production m/m		-15.50%	-4.60%
	GBP	Industrial Production m/m		-15.00%	-4.20%
2:30pm	EUR	Industrial Production m/m		-20.00%	-11.30%
6:00pm	USD	Import Prices m/m		0.60%	-2.60%
Tentative	GBP	NIESR GDP Estimate			-11.80%
7:00pm	GBP	CB Leading Index m/m			
7:30pm	USD	Prelim UoM Consumer Sentiment		75	72.3
	USD	Prelim UoM Inflation Expectations			3.20%

10th June 2020

Narnolia Financial Advisors Ltd | Market Strategy Desk

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Correspondence Office Address: Arch Waterfront, 5<sup>th</sup> Floor, Block GP, Saltlake, Sector 5, Kolkata 700 091; Tel No.: 033-40541700; [www.narnolia.com](http://www.narnolia.com).

Registered Office Address: Marble Arch, Office 201, 2<sup>nd</sup> Floor, 236B, AIC Bose Road, Kolkata 700 020; Tel No.: 033-4050 1500; [www.narnolia.com](http://www.narnolia.com)

Compliance Officer: Manish Kr Agarwal, Email ID: [mikagarwal@narnolia.com](mailto:mikagarwal@narnolia.com), Contact No.:033-40541700.

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