

Base Metals

	Previous	CMP	% Change
Comex Copper	2.565	2.571	0.23
LME Copper	5741.75	5765	0.40
LME Aluminium	1602.75	1603.75	0.06
LME Zinc	2002	2017.5	0.77
LME Lead	1773	1778	0.28
LME Nickel	13027.5	13010	-0.13
MCX Copper	442.75	440.65	-0.47
MCX Aluminium	136.8	136.3	-0.37
MCX Zinc	159.15	158.35	-0.50
MCX Lead	142.45	142.2	-0.18
MCX Nickel	992.2	987	-0.52

Base Metal Related News

Base metal prices rose as market optimism about the global economic recovery increased following a record rise in the US retail sales.

Beijing's city government on Tuesday raised its coronavirus emergency response level to II from III, according to state media, and this raised concerns about the pandemic

Steady decline in domestic inventories amid stepping-up construction in the infrastructure and housing markets also support fundamentals and may keep copper prices at high levels in the near term

Indonesia's earthquake on June 16 caused a breakdown of power plants at the Morowali industrial park.

The CISA reported that crude steel output across major mills in China averaged 2.11 mmt per day in the first 10 days of June, up 0.8% from May. That was as highest level seen since mid-September 2019.

Donald Trump's administration is considering a potential infrastructure bill valued at nearly \$1 trillion, fueling risk-on sentiment across the LME base metals complex and boosting optimism for industrial metals' demand

LME Inventory (16/06/2020)

Commodity	LME Stock	Change	Shanghai Stock	Change	Canceled Warrants	CW as % of LME
						Stocks
Copper	256775	1475	133206	-11782	-3725	47.03
Aluminium	1624464	39550	278179	-18126	-2500	11.06
Zinc	74400	-125	103050	-4395	-525	-0.74
Lead	73776	0	19313	10691	0	36.50
Nickel	235365	240	25999	538	0	16.15

Base Metal Outlook

Base metals are trading higher today. We expect prices to trade sideways to positive as BOJ and US Fed's another bond buying program to fuel in demand for base metals and upbeat US economic data helped boost investor confidence. The key economic data release for today include the US housing starts and building permits for May and the eurozone CPI for May.

Important Events For The Week					
	Cur		Actual	Forecast	Previous
15-Jun					
7:30am	CNY	Fixed Asset Investment ytd/y	-6.30%	-6.00%	-10.30%
	CNY	Industrial Production y/y	4.40%	5.00%	3.90%
	CNY	Retail Sales y/y	-2.80%	-2.30%	-7.50%
7:32am	CNY	Unemployment Rate	5.90%	5.90%	6.00%
2:30pm	EUR	Trade Balance	1.2B	20.3B	23.5B
6:00pm	USD	Empire State Manufacturing Index	-0.2	-30	-48.5
8:30pm	USD	FOMC Member Kaplan Speaks			
16-Jun					
15th-18th	CNY	Foreign Direct Investment ytd/y			-6.10%
11:30am	EUR	German Final CPI m/m	-0.10%	-0.10%	-0.10%
	EUR	German WPI m/m	-0.60%		-1.40%
2:30pm	EUR	ZEW Economic Sentiment	58.6	53.4	46
	EUR	German ZEW Economic Sentiment	63.4	60	51
6:00pm	USD	Core Retail Sales m/m	12.40%	5.50%	-17.20%
	USD	Retail Sales m/m	17.70%	7.40%	-16.40%
6:45pm	USD	Capacity Utilization Rate	64.80%	66.80%	64.90%
	USD	Industrial Production m/m	1.40%	3.00%	-11.20%
7:30pm	USD	Fed Chair Powell Testifies			
	USD	Business Inventories m/m	-1.30%	-0.80%	-0.20%
	USD	NAHB Housing Market Index	58	43	37
17-Jun					
11:30am	GBP	CPI y/y	0.50%	0.50%	0.80%
	GBP	Core CPI y/y	1.20%	1.30%	1.40%
2:30pm	EUR	Final CPI y/y		0.10%	0.10%
	EUR	Final Core CPI y/y		0.90%	0.90%
6:00pm	USD	Building Permits		1.23M	1.07M
	USD	Housing Starts		1.10M	0.89M
8:00pm	USD	Crude Oil Inventories		0.0M	5.7M
9:30pm	USD	Fed Chair Powell Testifies			
1:30am	USD	FOMC Member Mester Speaks			
18-Jun					
4:30pm	GBP	Asset Purchase Facility		745B	645B
	GBP	Official Bank Rate		0.10%	0.10%
6:00pm	USD	Philly Fed Manufacturing Index		-25	-43.1
	USD	Unemployment Claims		1300K	1542K
8:00pm	USD	Natural Gas Storage			93B
9:45pm	USD	FOMC Member Mester Speaks			
1:30pm	EUR	Current Account			27.4B
6:00pm	USD	Current Account		-101B	-110B
9:30pm	USD	FOMC Member Quarles Speaks			
10:30pm	USD	Fed Chair Powell Speaks			

17th June 2020

Narnolia Financial Advisors Ltd | Market Strategy Desk

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