

### Base Metals

|               | Previous | CMP     | % Change |
|---------------|----------|---------|----------|
| Comex Copper  | 2.663    | 2.663   | 0.00     |
| LME Copper    | 5935.25  | 5934.5  | -0.01    |
| LME Aluminium | 1571.75  | 1584.25 | 0.80     |
| LME Zinc      | 2051     | 2057    | 0.29     |
| LME Lead      | 1785     | 1767    | -1.01    |
| LME Nickel    | 12477.5  | 12647.5 | 1.36     |
| MCX Copper    | 455.45   | 455.2   | -0.05    |
| MCX Aluminium | 135.5    | 136.1   | 0.44     |
| MCX Zinc      | 164.85   | 165.5   | 0.39     |
| MCX Lead      | 143.75   | 144.1   | 0.24     |
| MCX Nickel    | 956.6    | 965.3   | 0.91     |

### Base Metal Related News

Base metal prices declined as investors weighed better-than-expected economic data against the continued rises in new coronavirus cases in certain areas across the globe.

Some good US data on durable goods orders on Thursday lifted sentiment and that has helped underpin the broader markets, while the metals are being underpinned on growing concerns over supply disruptions while Covid-19 spreads across some producing countries.

Codelco's Chuquicamata division has suspended some refinery operations to help prevent the spread of the virus

The US targeted Iran with another round of sanctions on eight firms, this time targeting steel and other metal companies, according to a notice posted on the U.S. Department of Treasury's website.

China's May aluminium imports more than doubled year on year but failed to hit an expected decade-high, official data showed.

With Chinese markets closed in observance of the Dragon Boat Festival, volume remains light.

### LME Inventory as on (26/06/2020)

| Commodity | LME Stock | Change | Shanghai Stock | Change | Canceled Warrants | CW as % of LME Stocks |
|-----------|-----------|--------|----------------|--------|-------------------|-----------------------|
| Copper    | 238125    | -3975  | 105046         | -9998  | -5425             | 52.23                 |
| Aluminium | 1648014   | 14275  | 253432         | -14988 | -4025             | 9.04                  |
| Zinc      | 74400     | -2975  | 98502          | 909    | 0                 | -2.55                 |
| Lead      | 70776     | -250   | 22930          | 338    | -3525             | 26.32                 |
| Nickel    | 235893    | 384    | 27121          | 626    | -84               | 16.10                 |

### Base Metal Outlook

Base metals are trading mixed today. We expect prices to trade sideways to positive after the positive economic developments in US and Europe and rise in coronavirus cases of workers in Copper mines are leading to the shutdown of production to prevent the spread of the virus.

| Important Events For The Week |     |                                    |        |          |          |
|-------------------------------|-----|------------------------------------|--------|----------|----------|
|                               | Cur |                                    | Actual | Forecast | Previous |
| <b>22-Jun</b>                 |     |                                    |        |          |          |
| 3:30pm                        | GBP | CBI Industrial Order Expectations  | -58    | -50      | -62      |
| 6:30pm                        | CNY | CB Leading Index m/m               | -0.50% |          | -1.00%   |
| 7:30pm                        | EUR | Consumer Confidence                | -15    | -15      | -19      |
|                               | USD | Existing Home Sales                | 3.91M  | 4.15M    | 4.33M    |
| <b>23-Jun</b>                 |     |                                    |        |          |          |
| 1:00pm                        | EUR | German Flash Manufacturing PMI     | 44.6   | 41.5     | 36.6     |
|                               | EUR | German Flash Services PMI          | 45.8   | 41.7     | 32.6     |
| 1:30pm                        | EUR | Flash Manufacturing PMI            | 46.9   | 43.8     | 39.4     |
|                               | EUR | Flash Services PMI                 | 47.3   | 40.5     | 30.5     |
| 2:00pm                        | GBP | Flash Manufacturing PMI            | 50.1   | 45.2     | 40.7     |
|                               | GBP | Flash Services PMI                 | 47     | 39.1     | 29       |
| 2:15pm                        | GBP | BOE Gov Bailey Speaks              |        |          |          |
| 7:15pm                        | USD | Flash Manufacturing PMI            | 49.6   | 50       | 39.8     |
|                               | USD | Flash Services PMI                 | 46.7   | 46.9     | 37.5     |
| 7:30pm                        | USD | New Home Sales                     | 676K   | 630K     | 623K     |
|                               | USD | Richmond Manufacturing Index       | 0      | -10      | -27      |
| <b>24-Jun</b>                 |     |                                    |        |          |          |
| 1:30pm                        | EUR | German ifo Business Climate        | 86.2   | 85       | 79.5     |
| 6:30pm                        | EUR | Belgian NBB Business Climate       | -22.9  | -26.5    | -34.4    |
|                               | USD | HPI m/m                            | 0.20%  | 0.00%    | 0.10%    |
| 8:00pm                        | USD | Crude Oil Inventories              | 1.4M   | 1.2M     | 1.2M     |
| <b>25-Jun</b>                 |     |                                    |        |          |          |
| All Day                       | CNY | Bank Holiday                       |        |          |          |
| 11:30am                       | EUR | German GfK Consumer Climate        | -9.6   | -11      | -18.9    |
| 6:00pm                        | USD | Core Durable Goods Orders m/m      | 4.00%  | 2.50%    | -7.70%   |
|                               | USD | Durable Goods Orders m/m           | 15.80% | 10.50%   | -17.70%  |
|                               | USD | Final GDP q/q                      | -5.00% | -5.00%   | -5.00%   |
|                               | USD | Unemployment Claims                | 1480K  | 1300K    | 1508K    |
|                               | USD | Final GDP Price Index q/q          | 1.40%  | 1.40%    | 1.40%    |
|                               | USD | Goods Trade Balance                | -74.3B | -68.0B   | -69.7B   |
|                               | USD | Prelim Wholesale Inventories m/m   | -1.20% | 0.40%    | 0.30%    |
| 8:00pm                        | USD | Natural Gas Storage                | 120B   | 108B     | 85B      |
| 10:30pm                       | GBP | MPC Member Haldane Speaks          |        |          |          |
| 2:00am                        | USD | Bank Stress Test Results           |        |          |          |
| <b>26-Jun</b>                 |     |                                    |        |          |          |
| All Day                       | CNY | Bank Holiday                       |        |          |          |
| 11:30am                       | EUR | German Import Prices m/m           |        | 0.70%    | -1.80%   |
| 1:30pm                        | EUR | M3 Money Supply y/y                |        | 8.60%    | 8.30%    |
|                               | EUR | Private Loans y/y                  |        | 3.30%    | 3.00%    |
| 6:00pm                        | USD | Core PCE Price Index m/m           |        | 0.00%    | -0.40%   |
|                               | USD | Personal Spending m/m              |        | 8.90%    | -13.60%  |
|                               | USD | Personal Income m/m                |        | -6.00%   | 10.50%   |
| 7:30pm                        | USD | Revised UoM Consumer Sentiment     |        | 79.1     | 78.9     |
|                               | USD | Revised UoM Inflation Expectations |        |          | 3.00%    |

26th 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: [mkagarwal@narnolia.com](mailto:mkagarwal@narnolia.com), Contact No.:033-40541700.

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