

Base Metals

	Previous	CMP	% Change
Comex Copper	2.787	2.763	-0.86
LME Copper	6139	6107.5	-0.51
LME Aluminium	1634.5	1632	-0.15
LME Zinc	2051.5	2047	-0.22
LME Lead	1796.25	1788	-0.46
LME Nickel	13395	13315	-0.60
MCX Copper	469.75	469.2	-0.12
MCX Aluminium	137.9	138.15	0.18
MCX Zinc	164.1	163.9	-0.12
MCX Lead	144.45	144.2	-0.17
MCX Nickel	1002.5	999.8	-0.27

Base Metal Related News

Base Metals prices slightly lower as caution returned to markets following strong performance amid a broad-based bullish sentiment.

Freeport-McMoRan has beaten its revised copper sales target for the second quarter of this year by 8%, although its Cerro Verde and El Abra operations continue to operate in line with forecasts modified in April due to the Covid-19 pandemic.

Zinc and lead miner Trevali has delayed the restart of its suspended Santander mine in Peru after more workers tested positive for Covid-19.

According to Benedikt Sobotka, around 700,000 tonnes of mined copper output has been lost to date due to disruptions related to the pandemic, with further disruptions looming in South America - especially in Chile.

Nickel continued its gains on Monday July 6 after a strong performance last week, with positive macro sentiment supporting the price despite quiet spot demand

Some Japanese aluminium buyers have agreed to pay a global producer a \$79 per tonne premium for July to September shipments, down 3.7% from the previous quarter, reflecting lower demand

LME Inventory

Commodity	LME Stock		Shanghai Stock		Canceled Warrants	CW as % of LME
	Change		Change			Stocks
Copper	195825	-2025	105046	-9998	275	46.99
Aluminium	1618025	-6750	253432	-14988	-6750	12.47
Zinc	122150	-125	98502	909	100	6.22
Lead	61800	-500	22930	338	-500	26.13
Nickel	234216	0	27121	626	84	23.79

Base Metal Outlook

Base metals are trading lower today. We expect prices to trade sideways to positive as we are cautiously optimistic for the short term on better economic data from China however demand faces a challenge on rising coronavirus cases in US. The supply tightness in copper and other metals are likely supporting the metal prices on the downside.

Important Events For The Week					
	Cur		Actual	Forecast	Previous
06-Jul					
11:30am	EUR	German Factory Orders m/m	10.40%	15.10%	-25.80%
2:00pm	EUR	Sentix Investor Confidence	-18.2	-10.8	-2480.00%
2:30pm	EUR	Retail Sales m/m	17.80%	15.00%	-11.70%
7:15pm	USD	Final Services PMI	47.9	47	46.7
7:30pm	USD	ISM Non-Manufacturing PMI	57.1	50	45.4
07-Jul					
11:30am	EUR	German Industrial Production m/m	7.80%	10.10%	-17.90%
7:30pm	USD	IBD/TIPP Economic Optimism		48.2	47
	USD	JOLTS Job Openings		4.80M	5.05M
10:30pm	USD	FOMC Member Quarles Speaks			
08-Jul					
Tentative	EUR	EU Economic Forecasts			
8:00pm	USD	Crude Oil Inventories			-7.2M
10:31pm	USD	10-y Bond Auction			0.83 2.3
12:30am	USD	Consumer Credit m/m		-15.0B	-68.8B
09-Jul					
7:00am	CNY	CPI y/y		2.50%	2.40%
	CNY	PPI y/y		-3.20%	-3.70%
11:30am	EUR	German Trade Balance		6.6B	3.2B
All Day	EUR	Eurogroup Meetings			
6:00pm	USD	Unemployment Claims			
8:00pm	USD	Natural Gas Storage			65B
10:31pm	USD	30-y Bond Auction			1.45 2.3
10-Jul					
12:15pm	EUR	French Industrial Production m/m		15.20%	-20.10%
1:30pm	EUR	Italian Industrial Production m/m		20.00%	-19.10%
10th-15th	CNY	M2 Money Supply y/y		11.10%	11.10%
10th-15th	CNY	New Loans		1800B	1480B
6:00pm	USD	Core PPI m/m		0.10%	-0.10%
	USD	PPI m/m		0.40%	0.40%

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Narnolia Financial Advisors Ltd | Market Strategy Desk

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