

Base Metals

	Previous	CMP	% Change
Comex Copper	2.934	2.956	0.75
LME Copper	6535.5	6572.75	0.57
LME Aluminium	1778.25	1778.25	0.00
LME Zinc	2479	2477	-0.08
LME Lead	1988.5	1993.5	0.25
LME Nickel	14997.5	15137.5	0.93
MCX Copper	516	519.3	0.64
MCX Aluminium	144.95	145.6	0.45
MCX Zinc	195.15	195.5	0.18
MCX Lead	156.1	156.4	0.19
MCX Nickel	1121.9	1128.3	0.57

Base Metal Related News

Base metals rises as senior US and Chinese trade officials reaffirmed their commitment to a Phase 1 trade deal

China imported 555,000 mt of copper cathode in July, up 14.24% from June and 89.93% from a year ago, and imports totalled 2.48 mmt in the first seven months of this year, rising 33.74% YoY.

China and the US resumed trade talks on Tuesday. US Trade Representative said that both sides made “progress and are committed to taking the steps necessary to ensure the success of the phase I trade deal.

British drugmaker AstraZeneca has begun trials of its antibody-based drug for the treatment and prevention of COVID-19, the latest development in a global race to combat the pandemic.

LME copper inventories fell to 95,525 tonnes, their lowest since July 2006, pushing the tom-next spread to a premium \$10-a-tonne premium, a level unseen since December 2019, indicating tight nearby supplies.

A tailwind for zinc demand from booming Chinese steel production has pushed prices of the galvanising metal to their highest in more than nine months and helped it outperform other metals.

LME Inventory

Commodity	LME Stock	Change	Shanghai Stock	Change	Canceled Warrants	CW as % of LME
						Stocks
Copper	92025	-3500	173418	12942	41700	45.31
Aluminium	1563300	-4075	274828	7087	229525	14.68
Zinc	224100	-200	84499	-3848	8775	3.92
Lead	125300	0	19378	-716	10925	8.72
Nickel	238818	324	28554	546	59934	25.10

Base Metal Outlook

Base metals are trading higher today. We expect prices to trade positive as US and Chinese trade officials reaffirmed their commitment to a Phase 1 trade deal and on positive development on vaccine front. US Fed speech and Jackson Hole symposium will be watched during the week.

Important Events For The Week					
	Cur		Actual	Forecast	Previous
24-Aug					
5:20am	JPY	Prelim GDP Price Index y/y		1.90%	0.90%
25-Aug					
10:30am	JPY	BOJ Core CPI y/y	0.00%	0.10%	0.10%
11:30am	EUR	German Final GDP q/q	-9.70%	-10.10%	-10.10%
1:30pm	EUR	German ifo Business Climate	92.6	92.5	90.5
7:30pm	USD	CB Consumer Confidence	84.8	93.2	92.6
	USD	New Home Sales	901K	775K	776K
	USD	Richmond Manufacturing Index	18	10	10
26-Aug					
6:00pm	USD	Core Durable Goods Orders m/m		1.70%	3.60%
	USD	Durable Goods Orders m/m		4.00%	7.60%
8:00pm	USD	Crude Oil Inventories		-3.4M	-1.6M
27-Aug					
10:00am	JPY	All Industries Activity m/m		6.30%	-3.50%
1:30pm	EUR	M3 Money Supply y/y		9.50%	9.20%
	EUR	Private Loans y/y		3.00%	3.00%
6:00pm	USD	Prelim GDP q/q		-32.50%	-32.90%
	USD	Unemployment Claims			1106K
	USD	Prelim GDP Price Index q/q		-1.80%	-1.80%
6:40pm	USD	Fed Chair Powell Speaks			
7:30pm	USD	Pending Home Sales m/m		5.50%	16.60%
8:00pm	USD	Natural Gas Storage			43B
Day 1	All	Jackson Hole Symposium			
28-Aug					
11:30am	EUR	German GfK Consumer Climate			-0.3
6:00pm	USD	Core PCE Price Index m/m		0.50%	0.20%
	USD	Personal Spending m/m		1.50%	5.60%
	USD	Goods Trade Balance		-72.3B	-70.6B
	USD	Personal Income m/m		-0.30%	-1.10%
	USD	Prelim Wholesale Inventories m/m		-1.00%	-1.40%
7:15pm	USD	Chicago PMI		51	51.9
7:30pm	USD	Revised UoM Consumer Sentiment		72.8	72.8
	USD	Revised UoM Inflation Expectations			3.00%
Day 2	All	Jackson Hole Symposium			

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Narnolia Financial Advisors Ltd | Market Strategy Desk

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