

Base Metals

	Previous	CMP	% Change
Comex Copper	3.025	3.02	-0.17
LME Copper	6708.25	6687	-0.32
LME Aluminium	1795.5	1779.5	-0.89
LME Zinc	2420	2403.5	-0.68
LME Lead	1916	1907.25	-0.46
LME Nickel	14940	14767.5	-1.15
MCX Copper	523.7	521	-0.52
MCX Aluminium	146.2	144.85	-0.92
MCX Zinc	189.15	187.65	-0.79
MCX Lead	149.8	148.8	-0.67
MCX Nickel	1105.9	1092.3	-1.23

Base Metal Related News

Base metals trended lower with concern over macro-economic headwinds inspiring a sell-off across the complex

Positioning of the CME's copper is the most bullish since the Q2 2018, with money managers last week lifting their bets on higher prices

Copper premium falls to a seven-month low due to arbitrage losses, lackluster demand and a backwarddated spread.

China exported 395,400 mt of unwrought aluminium and aluminium semis in August, up 5.9% from July, but down 15.2% from a year ago.

Chinese inflation data for August showed the producer price index declined 2% in August YoY while the CPI in August rose 2.4% YoY

However, LME copper stocks shrank continuously, at one point touching its lowest level since 2015, and this will support copper prices.

Tensions between US and Beijing remain on the radar after US President Trump again raised the idea of an economic "decoupling" from China.

The UK is planning to ramp up its preparations to leave the European Union without a deal if no free trade accord can be reached this week

LME Inventory

Commodity	LME Stock	Change	Shanghai Stock	Change	Canceled Warrants	CW as % of LME
						Stocks
Copper	73425	-3125	173418	12942	24975	34.01
Aluminium	1526575	-2850	274828	7087	218575	14.32
Zinc	219775	0	84499	-3848	3750	1.71
Lead	123225	-75	19378	-716	16625	13.49
Nickel	236478	18	28554	546	58158	24.59

Base Metal Outlook

Base metals are trading lower today. We expect prices to trade sideways to negative on rising tensions between US-China trade tensions and lower PPI in China. Another headwind for metal prices is stronger dollar making the dollar priced commodities expensive.

Important Events For The Week					
	Cur		Actual	Forecast	Previous
07-Sep					
8:31am	CNY	Trade Balance	417B	385B	442B
8:43am	CNY	USD-Denominated Trade Balance	58.9B	49.8B	62.3B
11:30am	EUR	German Industrial Production m/m	1.20%	4.50%	8.90%
2:00pm	EUR	Sentix Investor Confidence	-8	-11.4	-13.4
All Day	USD	Bank Holiday			
08-Sep					
5:00am	JPY	Final GDP q/q	-7.90%	-8.10%	-7.80%
10:30am	JPY	Economy Watchers Sentiment	43.9	41	41.1
11:30am	EUR	German Trade Balance	18B	14.9B	14.5B
3:30pm	USD	NFIB Small Business Index	100	99	98.8
7:30pm	USD	IBD/TIPP Economic Optimism	45	47.3	46.8
09-Sep					
7:00am	CNY	CPI y/y	2.40%	2.40%	2.70%
	CNY	PPI y/y	-2.00%	-1.90%	-2.40%
7:30pm	USD	JOLTS Job Openings		6.05M	5.89M
10:31pm	USD	10-y Bond Auction			0.68 2.4
10-Sep					
10th-15th	CNY	M2 Money Supply y/y		10.70%	10.70%
10th-15th	CNY	New Loans		1250B	993B
5:15pm	EUR	Main Refinancing Rate		0.00%	0.00%
	EUR	Monetary Policy Statement			
6:00pm	EUR	ECB Press Conference			
	USD	Core PPI m/m		0.20%	0.50%
	USD	PPI m/m		0.20%	0.60%
	USD	Unemployment Claims		838K	881K
Tentative	GBP	NIESR GDP Estimate			-7.90%
8:00pm	USD	Natural Gas Storage			35B
8:30pm	USD	Crude Oil Inventories			-9.4M
10:30pm	EUR	ECB President Lagarde Speaks			
11-Sep					
11:30am	EUR	German Final CPI m/m		-0.10%	-0.10%
1:30pm	EUR	German Buba President Weidmann Speaks			
	EUR	Italian Quarterly Unemployment Rate		8.40%	8.90%
2:00pm	GBP	Consumer Inflation Expectations			2.90%
All Day	EUR	Eurogroup Meetings			
6:00pm	USD	CPI m/m		0.30%	0.60%
	USD	Core CPI m/m		0.20%	0.60%
11:30pm	USD	Federal Budget Balance		-245.4B	-63.0B

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