

Base Metals

	Previous	CMP	% Change
Comex Copper	3.054	2.985	-2.26
LME Copper	6759.75	6616	-2.13
LME Aluminium	1784.5	1769.5	-0.84
LME Zinc	2426	2390	-1.48
LME Lead	1895	1868.75	-1.39
LME Nickel	14927	14737.5	-1.27
MCX Copper	525.6	517.5	-1.54
MCX Aluminium	144.95	144	-0.66
MCX Zinc	188.45	186.3	-1.14
MCX Lead	147.6	145.9	-1.15
MCX Nickel	1101.6	1087	-1.33

Base Metal Related News

Base metals set for a mixed start as investors await European Central Bank (ECB) interest rate decision and monetary policy statement.

The ECB is set to announce its rate decision. Investors will watch out for its inflation forecasts while no policy change in policy decision is expected.

The dollar slid from a four week high led by losses against the dollar after a report from ECB officials becoming more confident in their outlook for the region.

China's refined zinc output rose 2.8% to 450,000 tonnes from last year, highest in 5 years.

China's refined nickel output in August rose 15% yoy to 14260 tonnes.

Copper stocks on the LME dropped to the lowest since Nov 2005 while inventories in warehouses of SHFE rose to their highest since May 2020.

US companies in China are worried that trade tensions between the two countries will drag out over years.

LME Inventory

Commodity	LME Stock	Change	Shanghai Stock	Change	Canceled Warrants	CW as % of LME
						Stocks
Copper	75975	2550	173418	12942	26075	34.32
Aluminium	1524075	-2500	274828	7087	221075	14.51
Zinc	219725	-50	84499	-3848	3700	1.68
Lead	131750	8525	19378	-716	16900	12.83
Nickel	237162	684	28554	546	58080	24.49

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. During the evening session, US weekly jobless claims report, producer price index (PPI) for August.

10th September 2020

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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	6.62M	6.05M	5.89M
10:31pm	USD	10-y Bond Auction	0.70 2.3		0.68 2.4
10-Sep					
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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NIL

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