

COPPER REPORT

19 April 2021



Firmer Industrial data from US and China helped the rise Copper prices last week. LME copper posted best weekly gain since February.

Global Economy

- Mixed signals were witnessed in global equities. US Dow Jones Index gained 1.18 percent. European peers were lifted by earnings in auto sector. Meanwhile, key Asian peers were on the negative terrain.
- US inflation rate jumped to 2.6 percent in March of 2021 from 1.7 percent in February. It is the highest reading since August of 2018.
- China's trade surplus narrowed to USD 13.8 billion in March 2021. Exports soared 30.6 percent and imports jumped 38.1 percent to an all-time high, at the fastest pace since February 2017.

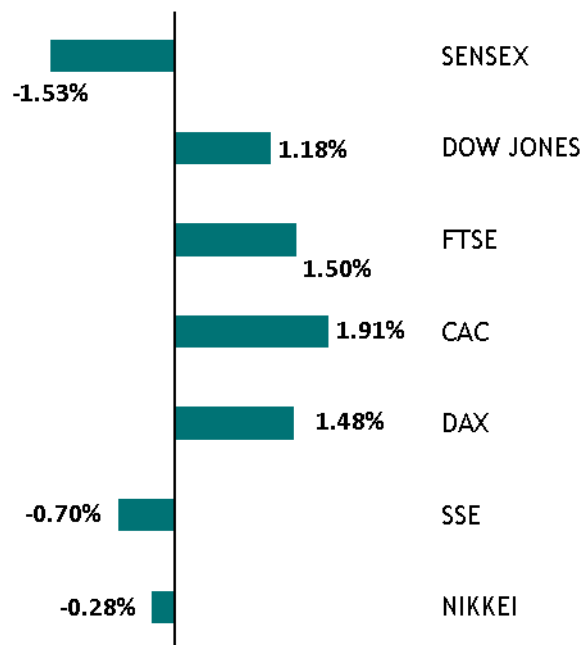
Currencies

- U.S. dollar eased against the currency basket last week by 0.92 percent, and closed at 91.556 marks.
- Euro gained by 1.14 percent. Chinese Yuan gained 0.19 percent and Japanese Yen gained 0.97 percent against greenback.
- Indian Rupee dipped 1.81 percent and settled at 74.72 marks against dollar.

Copper

- COMEX copper gained 3.20 percent, LME copper gained 3.19 percent, while SHFE copper gained 3.0 percent.
- MCX copper active futures gained 2.82 percent.
- Cash over three month forward futures premium in LME copper is backwardation at USD16 per MT.
- China's downstream Copper consumption rebounded in March
- The global world refined copper market showed a 24,000 tonnes surplus in December of 2020, compared with a 93,000 tonnes deficit in November.

Indices



Currency

Currencies	Close	WoW % Chg
Dollar Index Spot	91.556	-0.92%
Euro/US Dollar	1.1896	1.14%
US Dollar/ Japanese Yen	109.65	0.97%
US Dollar/ Indian Rupee	74.722	-1.81%
US Dollar/ Chinese Yuan	6.5522	0.19%

*Currency rates mentioned above are Friday closing rates

Key Data/Events for the week

Day	Data/Events
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Tuesday China - PBoC Loan Prime Rate



LME Copper rallies to 7-week high

Copper price on major platforms surged on improved demand prospects after solid economic data from US and China. However the numbers from China, the biggest consumer of metals, were a mixed bag, with factory activity growing strongly but below forecasts and expected to slow in the near term.

The copper futures prices in LME platform surged by 3.19 percent during the last week and settled at USD9211 per metric tonne. COMEX copper futures gained by 3.20 percent WoW and closed at USD4.18 per lbs last week.

Copper prices in SHFE closed at CNY68680 per metric tonne with an advancement of 3.00 percent in the last week. Meanwhile, most active futures in MCX marked a gain of 2.82 percent and closed at Rs.709.30 per kg.

China's downstream Copper consumption rebounded seasonally in March

China's copper semis output in March stood at 1.84 million mt. The cumulative output from January to March was 4.49 million metric tonne, an increase of 2.48 percent year-on-year due to a low base in the same period last year. Operating rates at copper semis producers stood at 73.03 percent in March, an increase of 20.73 percentage points from the previous month, compared to an expected rise of 3.65 percentage points, and an increase of 8.82 percentage points year on year.

Copper market in 24,000 tonnes surplus in Dec 2020 - ICSG

The global world refined copper market showed a 24,000 tonnes surplus in December, compared with a 93,000 tonnes deficit in November, the International Copper Study Group (ICSG) said in its latest monthly bulletin. For the first 12 months of the year, the market was in a 559,000 tonnes deficit compared with a 383,000 tonnes deficit in the same period a year earlier, the ICSG said. World refined copper output in December was 2.11 million tonnes, while consumption was 2.09 million tonnes.

Copper Warehouse data

Copper inventories in LME registered warehouses decreased by 0.15 percent last week to 165375 MT. COMEX inventories decreased by 1.48 percent last week and totalled 68877 MT. Stocks in Shanghai registered warehouses increased by 4.60 percent and totalled 202464 MT.

Global Market Prices

Exchanges	Close Price	WoW % Chg	YoY % Chg
COMEX	4.18 (\$/lbs)	3.20%	77.57%
LME	9211 (\$/MT)	3.19%	77.53%
SHFE	68680 (CNY/MT)	3.00%	60.76%
MCX	709.30 (Rs/Kg)	2.82%	74.53%

*Near Month Futures Contracts in MCX/ SHFE/COMEX

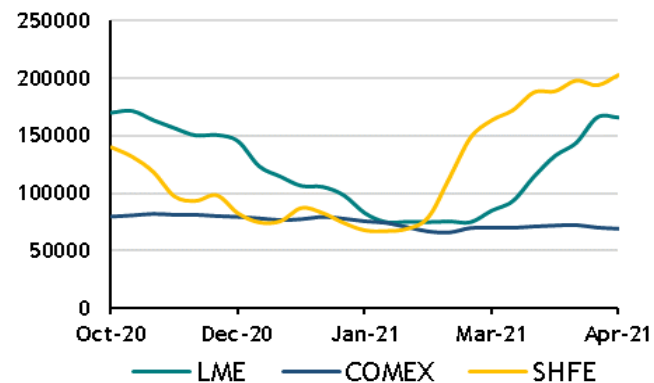
*Three Month Forward Futures Contracts in LME

*Prices mentioned above are Friday closing rates in respective exchanges

Warehouse Stock Details

Exchanges	Stocks in MT	WoW Chg	WoW % Chg
LME	165375	-250	-0.15%
SHFE	202464	8896	4.60%
COMEX	68877	-1034	-1.48%

Stocks in Metric Tonnes



Outlook: Broad trend remains on the bullish side due to easing global economic uncertainties and expectations over increased demand from the top consumer China. A weak U.S dollar and hints of over further economic stimulus measures continue to offer lower level support to the commodity.

COMEX: Though the broad trend remains positive there are chances of choppy trading ahead. A direct drop below \$3.4 is a sign of weakness.

MCX Apr: As long as prices stay above 648 there are chances of recovery upticks in the counter. However a direct drop below 585 is sign of reversal of the current momentum.

Trading Outlook

	COMEX Apr	MCX Apr
Weekly View	MILD POSITIVE	MILD POSITIVE
Short Term View	BULLISH	BULLISH
Technical Levels		
Trading Range	\$5.20-2.90	530-820
Resistance 1	4.25	712
Resistance 2	4.65	745
Resistance 3	5.20	792
Pivot	3.80	664
Support 1	3.95	688
Support 2	3.40	652
Support 3	2.95	585

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