

Monthly Report – July 2017



July has seen a robust rise across a basket of various commodities. The Thomson Reuters Jefferies rose over 3,6 % with gains not just in industrial metals but also in Gold and Oil. The € was already above the 1,14 mark against the US\$ and it kept improving to some recent highs of 2015 and 2016 and finishing the month above 1,17.

Copper had a tremendous increase in just a couple of days (+ 400 \$) pushed, goes without saying, Chinese influences. Rumors were that a ban on certain types of copper on environmental issues would cause a rush towards cathodes, even if this kind of dirtier material is a residual part of the demand the effect of markets was strong. The zenith of the copper price reached on the 31st of July at 6.430 \$/t (3 month) takes us back to 2015 when we last saw these prices, in € terms the average price (cash) was close under 5.200 €/t, i. e. 2,3 % higher than June. LME stocks were also considerably higher (295.525 tons at the end of July) given the recent lows but this seems to be a general trend of the last year with inventories surging and lowering every 2 months.

Zinc stays strong and well supported by the usual deficit forecast and strong appetite coming from China. The price graph shows a roller coaster move with high and low of the day reached in less than 10 days (2.874 \$/t on the 12th and 2.718 \$/t on the 20th – 3 month). The average € price was the best in our 4 metals setting with 2.420 €/t (cash) and gaining over 5,5 % since June with LME warehouses registering another drop in inventories 264.600 versus 289.275 tons.

Nickel has been another good performer this month although it started on the downside with a low of 8.865 \$/t (3 month) on the 10th but ending July at 10 335 \$/t (3 month). Having said this, the € average price was a little higher than 8.200 €/t (cash) while June was just shy of 8.000 €/t (cash) while LME stocks remained almost unchanged.

Tin was the worst performer in June and little or nothing changed as per its average July price (cash) in Euro: 17.616,10/t vs 17.551,30/t. The story behind is a bit more exciting as from recent price drop. Tin followed the story of Nickel and by the end of the month it had gained almost 1.500 \$/t. LME warehouse stocks, usually not so interesting from a volume point of view, had a massive increase of 17,5 % but still low compared to other metals at 1.985 tons.