

Monthly Report – June 2017



In June the commodity market has largely ended in negative territory as shown in the index Reuters-Jeffries CRB. The brunt of selling set in the first 3 weeks while the last one registered a big recovery. Four out of 6 base metals closed higher with aluminum and tin being the notable exceptions. In the currency market, the dollar appreciated in the first two weeks and then steadily collapsed until the end of the month.

Copper took a low of \$5553 on June 6th and recovered over the balance of June, with much of the gains taking place in the last week. Couple of variables were behind copper's ascent : the sell off in the currency market (€/€) and the fact that copper stocks are continuing to decline (LME stocks ended down by 9.7% from the previous month and off 40% since April/May on both The LME and SHFE). LME average quotation converted in euro basically remained the same of the previous month 5077.20 € in June vs 5061.80 € in May.

Zinc fell during the first half of June, plunging to an eight month low of 2427\$ before retracing over the last part of the month to finish at 2768\$ (average LME settlement quotation converted into EURO reached € 2.291,00). The most notable sign of production reduction is coming out of China: refined zinc output falling to 481.000 tons in May, while output is down 5.2% year to year during the six month of the year. LME stocks edged down by 12.3 % from the previous month.

Nickel finished up in June but has been the worst performer in the base metals basket, down 6% year to year. This metal lost ground over the course of June reaching a downtrend of 3.9% with an average LME quotation converted in euro of 7.955.60 € (8277 € in May). LME stocks declined by 3.5% from 384.966 to 371.460.

Tin was the worst performer in June, compared to other metals, with average prices dropping only 4.2% to **17.551.30 €/t** from the previous month. LME tin stocks continue to decline, 11.5% compared to May (1610 vs 1910). In contrast to the global tin market, China is currently in a state of oversupply while the Indonesian tin export are up of 43% from year earlier.