

Monthly Report – May 2017



May did not show big movements in equity market while in the currency market we have to report a strong Dollar at the beginning of the month due to increasing attention to an imminent rise in June rate and then to fall at the end of the month (third consecutive monthly fall). Sterling reaching a six-week intraday low on 31st May at 1.2769 on growing concern that polls are narrowing ahead of the UK's elections this week. Yuan is the winner during this month, reached the most valuable percentage in over four months for a simple reason: the government is intervening in an effort blind side short and to do a positive impact due to the unexpected credit downgrade.

Copper ended lower in May, trading in a range between 5.400 – 5.800 \$/t (3 month). The strike at Freeport McMoran's Grasberg mine was the highlighted news pushing down the price until a point of stabilization was reached some weeks after the strike then started to climb higher. Copper's fundamentals are leaning nimbly bearish driving the copper to a level between 5.520 \$/t – 5.825 \$/t (3 month). Shifting the attention to the stock side, LME and Shanghai was falling in a total amount of 60.000 tons.

Zinc registered another poor month achieving a downtrend of 5 % (average LME settlement quotation converted into EURO reached € 2.344,80/t) respect to April touching a low of \$ 2.459/t (3 month) in the middle of the month and recovering in the last part. Several factors sent prices higher but others led to the stumble heading into June's quotation. The ILZSG report stated that the market has a deficit of 6000 tons of capacity in Q 1/2017. LME stocks edged down by 5.3 % from the previous month.

Nickel's fundamentals remain gloomy weighted down by wide supply, fleecy demand and elevated inventories. This metal lost ground over the course of May reaching a collapse of 8.3 % with an average LME quotation converted in Euro of 8.277 €/t (9.023 €/t in April) (prompt). LME stocks climbed by 1.5 % from 379.182 to 384.966 tons.

Tin was the best performer in May, compared to other metals, with average prices dropping only 1.8 % to 18.312 €/t (prompt) from the previous month. Much of the strength was attributable to the fact that LME tin stocks continue to shrink, ending the month just under 2.000 tons exactly at 1.910 (a huge drop of 33.3 % from April). Outside the stock situation we have to remark that Indonesian refined tin exports rose in the period January - April, according to Indonesian ministry data.