

Monthly Report – April 2020



While we are still coping with an extreme Covid situation worldwide it seems that, there has been an immediate shift from present to future and partial oblivion of the past. **Yes, most indexes were up again but how low have they been?** Lockdown or not the virus is still out there so we should all go ahead doing our best as citizens and workforce now that various industries and firms are back in business. Unfortunately, fool's day stretched out through the entire month and not just the 1st of April .

The outlook on the economy remained rather mixed with uncertainty dominating across the globe, it seemed like the plunge of March was the starting point of a constant rise and, in a way, both the LME and the Thomson Reuters CRB Index confirmed it. The latter, after seeing the historic ever low, survived the high and dry situation of late April when **WTI crude oil** not just decreased but even **crashed below 0\$**. There were multiple factors leading to this absurd scenario where you would get money instead of paying to fill your tankships: petroleum was and still is facing a political war amongst OPEC+ and mayor producing countries, when pandemic hit and storage operations suffered on the back of low demand all this “fueled” towards negative price territory.

The **MSCI World Index retraced 50% from last month's low**, so bright skies ahead? Well, may be for the economy but not form the pollution levels in China. The giant has awoken and with current low oil price, the green revolution might be at risk not just in the Asian powerhouse. Secondly, how much of the Chinese industrial ramp up will focus on domestic demand rather than export?

In the meantime, Reuters revealed the newest metal forecast:

	2020			2021		
	New	Jan	Diff	New	Jan	Diff
ALUMINIUM	1.623,30	1.784,40	-9,03%	1.737,50	1.845,30	-6,20%
COPPER	5.237,80	6.226,00	-15,87%	5.907,50	6.358,20	-7,63%
LEAD	1.774,70	1.969,20	-9,88%	1.919,80	1.996,80	-4,01%
NICKEL	12.184,60	15.567,80	-21,73%	14.273,60	16.606,10	-16,34%
TIN	15.434,60	17.632,70	-12,47%	16.815,60	18.554,60	-10,34%
ZINC	1.962,40	2.285,80	-14,15%	2.124,10	2.305,40	-8,54%

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Getting back to the recent past:

MONTHLY High's And Low's

	HIGH	LOW
COPPER	\$5.294,5 on 30 TH	\$4.760 on 2 ND
ZINC	\$1.969,5 on 20 TH	\$1.844 on 2 ND
NICKEL	\$12.595 on 27 TH	\$10.950 on 2 ND
TIN	\$15.650 on 14 TH	\$14.100 on 3 RD

The single metal commentary also for this month will be postponed to a more stable market situation. Below the Year to April price performance for base metals and the €.



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In general, all metals started low and ended high with uptrend price graphs encouraging future recovery. The wobbly US\$ performance, heavily influenced by poor economic data and prospects of capital (and disinfectant) injection, translated into average monthly prices in € almost unchanged from March.

The global scenario, despite isolated good news, remains fragile given the uncertainty of definitive restoration of production. In such problematic environment, the London Metal Exchange helps producers to store cathodes, ingots and other warrantable materials in registered facilities rather than having it unsold in own warehouses. Since beginning of 2020 the volume rose and skyrocketed with the beginning of the Covid pandemic, for April we have had another increase for copper and especially zinc (with respectively +13% and 36%) while Shanghai inventories started to lower on the back of industrial reopening.