

Monthly Report – March 2020



If it was not easy to describe what happened in February, **March** will be an even harder task.

Given the extraordinary nature of the times we are living, an objective description of the past weeks is indeed no common job, we will try to stick as much as possible to hard facts but with some personal thoughts.

WHAT WE KNOW

- The Management of the Coronavirus worldwide, excluding China and some neighboring countries that were hit first, was late and (sometimes still) neither efficient nor effective. The epidemic moved to pandemic as every country adopted single and not coordinated measures.
- The impact on financial markets and global economy is unprecedented, any referral to 1929 depression, post WW2 scenarios or recession after Lehman Brothers 'collapse is not coherent, Bernard Baumohl has used the expression "Economic Ice Age" to describe the time we are facing. Just as an example: the cost of the global financial crisis in 2007-2008 was estimated 2.800 billion dollars (the Guardian / Bank of England), the anti-crisis measures put in place by the US government alone account for 2.200 billion dollars so far (Il Sole 24 ore).
- Central banks have adopted measures to contain the impact and guarantee the short-term survival of the economic system even though it is not clear at this stage (before the Easter Break) what the fiscal action to get us back on saddle will look like.

WHAT WE DO NOT KNOW

- How long will the virus persist and how fast will a vaccine be available.
- How the economic recovery will look like, growth indeed will not be of use in our vocabulary for quite some time. The question is how resilient will markets be once we have contained the virus: will it be very fast with a sharp V move? Slow but constant in more stretched U form? On the other hand, will be sitting on the rock bottom of the market for quite some time?
- Measures to revitalize our economies. Awaking the hibernated patient has hardly ever worked in films so it is unlikely to just get the economy out of the freezer considering that some markets and products were already overrated and doped before Covid 19.

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“No problem can be solved from the same level of consciousness that created it”. Not sure if they were trying to express visually this Albert Einstein quote, found this on the internet, which portrays quite well the sense:

Economics: "Humans only value things monetarily."
Sociology: "Uh, I don't..."
Economics: "Humans are always rational and value is calculated by complex internal calculus."
Sociology: "Uhhh, Psy, can you help?"
Psychology: "That's not how humans..."
Economics: "ALSO MY SYSTEM WILL GROW EXPONENTIALLY FOREVER!!"
Physics: *drops teacup*

As we are so keen about copper, it would be good to remind the industry of what the metal is capable and not forget once we need to rebuild the different national Healthcare systems worldwide:

<https://www.kme.com/en/about-us/news-events/news/news-article/essential-in-times-of-crisis/>

“Unglücklich das Land, das Helden nötig hat”, Unfortunate the land that has need of heroes.

Media and (some) politicians disagree with Bertolt Brechts’s *Leben des Galilei*. We cannot thank enough doctors, nurses, police officers and all other forces that are in the forefront of this emergency, we cannot deny any merit for the job their doing but it takes a great coordination and no superman powers to fight the situation.

From a political point of view, this crisis comes as a blessing for already “beloved leaders”, we can see it also in Europe as the force majeure situation has legitimated one-man shows and populist movements. Now more than ever what is the purpose of closing borders and “my country first” approaches? Especially in our continent, it just looks childish to think that every country shall face the situation alone. In such an interconnected market, can you really believe that if you manufacture a product or service in country A (not heavily hit by COVID) while your partners and suppliers are in based in country B,C,D (currently in lockdown) this will have no consequences for your market as well? How fast can you reprogram your supply chain and ramp up your production cutting out foreign companies by privileging domestic ones?

A stable and common market was the corner stone of any intent of Europe’s founding fathers to protect ourselves from instability and political turmoil of last century’s regimes. https://europa.eu/european-union/about-eu/history/eu-pioneers_it

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We are at a crossroad and need if we want to have still the privilege of buying German cars, French wines, Italian clothing, have our kids attend language classes abroad, book flight and vacations with free mobility and a shared market or face the fate of our continent from becoming “*The sinking museum*” .

Getting back in line with our usual monthly data, here is the naked truth of March

MONTHLY High's And Low's

	HIGH	LOW
COPPER	\$5.878,5 on 3 RD	\$4.371 on 19 TH
ZINC	\$2.066 on 2 ND	\$1.763 on 19 TH
NICKEL	\$13.345 on 10 TH	\$10.865 on 23 RD
TIN	\$17.160 on 4 TH	\$12.700 on 23 RD

We would usually indulge in some more detailed description of previous month performance. Since it has been an unreal situation, it is better to give some graphic insight just to have an idea of the year-to-date moves in base metals and the €/ \$ exchange rate:

