

# Daily Commodity Analysis Report

Wednesday, July 15, 2020  
Wednesday



## MARKET MOVEMENT

Commodity	Unit	Last	% Cng	Weekly	Monthly	YTD	Yearly	50DMA	100DMA	200DMA
Gold	1 Kg	49259.00	0.23	1.85	4.98	25.47	29.28	BUY	BUY	BUY
Silver	30 Kg	52649.00	-0.75	6.18	8.32	12.28	27.33	BUY	BUY	BUY
\$Gold	100 Tr. Oz	1808.23	-0.04	1.43	3.65	18.69	22.06	BUY	BUY	BUY
\$ Silver	5000 Tr. Oz	19.245	0.18	5.78	4.91	6.84	20.69	BUY	BUY	BUY
Crude	100 BBL	3035.00	-0.65	-1.51	0.50	-32.08	-33.17	BUY	BUY	SELL
Nat.Gas	1250 mmBtu	132.50	-0.3	0.92	-4.37	-16.14	-26.53	SELL	SELL	SELL
\$ Crude	1,000 Barrels	40.29	0.47	-2.42	0.58	-35.72	-53.67	BUY	BUY	SELL
\$ Nat. Gas	10000 mmBtu	1.75	0.4	0.92	-4.37	-16.14	-26.53	SELL	SELL	SELL
Aluminium	5MT	138.80	-0.72	1.26	0.47	-1.56	-2.12	BUY	BUY	BUY
Copper	2500Kg	502.25	-0.43	7.44	10.22	13.76	12.09	BUY	BUY	BUY
Lead	5MT	147.65	-0.77	2.92	3.97	-4.69	-6.41	BUY	BUY	BUY
Nickel	1500Kg	1027.70	-0.7	5.09	4.17	-0.06	11.01	BUY	BUY	BUY
Zinc	5MT	172.70	-2.48	6.98	5.98	-4.66	-10.04	BUY	BUY	BUY
LME Alum	25 Tonnes	1685.50	0.18	3.48	3.30	-6.68	-8.23	SELL	SELL	SELL
LME Copp	25,000 Lbs.	6515.00	0.23	6.24	9.16	5.35	8.64	BUY	BUY	BUY
LME Lead	5 Tonnes	1854.50	0.19	4.78	6.37	-3.20	-5.53	BUY	BUY	BUY
LME Nickel	250 Kg	13585.00	-0.11	5.00	4.34	-3.27	3.53	BUY	BUY	BUY
LME Zinc	5 Tonnes	2197.50	0.25	7.76	8.44	-2.59	-7.99	BUY	BUY	BUY

Note:

\* 50DMA - If prices trading above 50DMA "BUY" Signal is shown

\* 100DMA - If prices trading above 50DMA "BUY" Signal is shown

\* 200DMA - If prices trading above 50DMA "BUY" Signal is shown

\* 50DMA - If prices trading below 50DMA "SELL" Signal is shown

\* 100DMA - If prices trading below 50DMA "SELL" Signal is shown

\* 200DMA - If prices trading below 50DMA "SELL" Signal is shown

\* Domestic Rates are as per closing basis and International rates are as per 8.30am

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### Currency Snapshot

Currency	Last	% Cng	
USDINR	75.50	0.28	▲
EURINR	85.85	0.60	▲
GBPINR	94.54	-0.37	▼
JPYINR	70.31	-0.05	▼
EURUSD	1.1407	0.05	■
GBPUSD	1.2579	0.23	▲
USDJPY	107.25	0.01	■
Dollar Index	96.15	-0.08	▼

### Indices Snapshot

Indices	Last	Change	
NIFTY	10607.35	-1.81	▼
SENSEX	36033.06	-1.80	▼
HANGSENG	25477.89	-1.14	▼
NIKKEI	22587.01	-0.87	▼
STRAITS	2620.19	-0.41	▼
CAC 40	4980.86	-1.49	▼
DAX	12635.33	-1.29	▼
DJIA	26085.80	0.04	■
NASDAQ	10390.84	-2.13	▼
JAKARTA	5079.12	0.29	▲
KOSPI	2183.61	-0.11	▼

### LME Stock Snapshot

Commodity	Stock	Cng
LME Alum	1669550	-5350
LME Copp	168225	-8125
LME Lead	61300	-75
LME Nickel	234192	-432
LME Zinc	123200	-275

### Economical Data

Time	Currency	Data	Fcst	Prev
Tentative	EUR	German 10-y Bond Auction		-0.38   1.8
6:00pm	USD	Empire State Manufacturing Index	10	-0.2
6:00pm	USD	Import Prices m/m	0.01	0.01
6:45pm	USD	Industrial Production m/m	0.045	0.014
6:45pm	USD	Capacity Utilization Rate	0.679	0.648
8:00pm	USD	Crude Oil Inventories	-1.3M	5.7M
9:30pm	USD	FOMC Member Harker Speaks		
11:30pm	USD	Beige Book		

### Open Interest Snapshot

Commodity	Last	OI	% Cng	Status
Gold	49259.00	8960	-1.55	Short Covering
Silver	52649.00	14211	-8.18	Long Liquidation
Crude	3035.00	1841	0.88	Fresh Selling
Nat.Gas	132.50	12492	11.88	Fresh Selling
Aluminium	138.80	853	-8.67	Long Liquidation
Copper	502.25	5589	-0.71	Long Liquidation
Lead	147.65	478	-37.11	Long Liquidation
Nickel	1027.70	1125	-7.64	Long Liquidation
Zinc	172.70	1818	-18.11	Long Liquidation

### Calendar Spreads Snapshot

Commodity	Near Month	Next Month	Spread	P. Spread	Change
Gold	49259.00	49400.00	141.00	123.00	-18.00
Silver	52649.00	53736.00	1087.00	1030.00	-57.00
Crude	3035.00	3064.00	29.00	28.00	-1.00
Nat.Gas	132.50	136.30	3.80	4.10	0.30
Aluminium	138.80	139.80	1.00	0.85	-0.15
Copper	502.25	498.95	-3.30	-3.40	-0.10
Lead	147.65	146.95	-0.70	0.10	0.80
Nickel	1027.70	1033.20	5.50	4.90	-0.60
Zinc	172.70	172.00	-0.70	0.20	0.90

### Commodity Ratio Snapshot

Commodity	Annual			
	Close	Max	Min	Avg
Gold / Silver Ratio	93.56	112.00	77.48	87.26
Gold / Crude Ratio	16.23	53.33	5.55	10.79
Gold / Copper Ratio	98.08	119.82	66.75	83.69
Silver / Crude Ratio	17.35	48.26	6.92	11.95
Silver / Copper Ratio	104.83	119.99	82.05	95.49
Zinc / Lead Ratio	116.97	172.17	105.33	127.49
Crude / Nat.Gas Ratio	22.91	30.35	5.86	21.17



## COMMODITY MARKET

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#### Commodity Market Daily Trading Levels

Commodity	Close	Support 3	Support 2	Support 1	Pivot Point	Resist 1	Resist 2	Resist 3	Trend
Gold	49259.00	48402.00	48586.00	48923.00	49107.00	49444.00	49628.00	49965.00	Positive
Silver	52649.00	51302.00	51626.00	52138.00	52462.00	52974.00	53298.00	53810.00	Negative
\$ Gold	1809.06	1801.00	1803.70	1806.00	1808.70	1811.00	1813.70	1816.00	Positive
\$ Silver	19.21	19.20	19.20	19.30	19.30	19.40	19.40	19.50	Negative
Crude oil	3035.00	2856.00	2900.00	2968.00	3012.00	3080.00	3124.00	3192.00	Negative
Natural Gas	132.50	125.10	127.10	129.80	131.80	134.50	136.50	139.20	Negative
\$ Crude oil	40.29	38.49	38.80	39.55	39.86	40.61	40.92	41.67	Positive
\$ Natural Gas	1.7460	1.6493	1.6787	1.7123	1.7417	1.7753	1.8047	1.8383	Negative
Aluminium	138.80	137.00	137.70	138.30	139.00	139.60	140.30	140.90	Negative
Copper	502.25	492.00	494.70	498.50	501.20	505.00	507.70	511.50	Negative
Lead	147.65	145.70	146.20	147.00	147.50	148.30	148.80	149.60	Negative
Nickel	1027.70	1009.70	1014.40	1021.10	1025.80	1032.50	1037.20	1043.90	Negative
Zinc	172.70	167.20	169.50	171.10	173.40	175.00	177.30	178.90	Negative
LME Aluminium	1682.50	1653.17	1662.83	1672.67	1682.33	1692.17	1701.83	1711.67	Negative
LME Copper	6500.00	6341.67	6386.33	6443.17	6487.83	6544.67	6589.33	6646.17	Negative
LME Lead	1851.00	1792.50	1818.00	1834.50	1860.00	1876.50	1902.00	1918.50	Negative
LME Nickel	13600.00	13156.67	13273.33	13436.67	13553.33	13716.67	13833.33	13996.67	Negative
LME Zinc	2192.00	2073.33	2121.67	2156.83	2205.17	2240.33	2288.67	2323.83	Negative

### MCX GOLD

#### Technical Chart



Open	High	Low	Close	Net Cng
49050.00	49291.00	48770.00	49259.00	111.00
OI	% OI	Volume	Trend	% Cng
8960.00	-1.55	13403.00	Positive	0.23

#### Fundamentals

Gold yesterday settled up by 0.23% at 49259 as worries over surging coronavirus cases globally and Sino-U.S. tensions kept supporting prices. The COVID-19 pandemic will worsen if countries fail to adhere to strict healthcare precautions, the World Health Organization warned. The COVID-19 pandemic will worsen if countries fail to adhere to strict healthcare precautions, the World Health Organization warned. Apart from the pandemic, renewed concerns about diplomatic tension between the United States and China also dented risk appetite, capping losses in bullion, which is considered a hedge against political and financial uncertainty. Reflecting increased investor interest in gold, holdings of SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, rose 0.3% to 1,203.97 tonnes. Markets now face an additional threat from tit-for-tat retaliation between Washington and Beijing over access to U.S. financial markets, civil liberties in Hong Kong, and territorial claims in the South China Sea. Germany's economy began to recover after easing of coronavirus containment measures, the Economy Ministry said. The economy has passed the trough. However, the ministry said the recovery process is just beginning and the capacities are still underutilized. The ECB will be the third main central bank to deliver its decision this week. The Christine Lagarde-led bank, will start its policy meeting on Wednesday, and deliver its decision on Thursday. Technically market is under short covering as market has witnessed drop in open interest by -1.55% to settled at 8960 while prices up 111 rupees, now Gold is getting support at 48923 and below same could see a test of 48586 levels, and resistance is now likely to be seen at 49444, a move above could see prices testing 49628.

#### Trading Idea for the day

Gold trading range for the day is 48586-49628.

Gold gains as worries over surging coronavirus cases globally and Sino-U.S. tensions kept supporting prices.

Markets now face an additional threat from tit-for-tat retaliation between Washington and Beijing over access to U.S. financial markets

Reflecting increased investor interest in gold, holdings of SPDR Gold Trust, rose 0.3% to 1,203.97 tonnes

### MCX SILVER

#### Technical Chart



Open	High	Low	Close	Net Cng
132.70	133.80	129.10	132.50	-0.40
OI	% OI	Volume	Trend	% Cng
12492.00	11.88	162365.00	Negative	-0.30

#### Fundamentals

Silver yesterday settled down by -0.75% at 52649 but recovered most of its losses as traders continued to weigh the impact of the rapid surge of coronavirus cases and an escalation in U.S.-China tensions on the global economy. Data released by the Labor Department showed a slightly bigger than expected increase in U.S. consumer prices in the month of June. The data said the consumer price index climbed by 0.6% in June after edging down by 0.1% in May. Excluding higher prices for food and energy, the core consumer price index ticked up by 0.2% in June after slipping by 0.1% in May. Core prices were expected to inch up by 0.1%. Hong Kong reimposed social distancing measures to combat a sudden spike in coronavirus infections and Singapore's economy plunged into a recession last quarter, fueling worries about the economic recovery. Meanwhile, U.S.-China tensions intensified after the Trump administration rejected China's expansive maritime claims in the South China Sea, a move that Beijing criticized as inciting tensions in the region. U.S. consumers are more optimistic that the worst of the economic crisis sparked by the coronavirus pandemic is behind them, but are still concerned about their earnings and their ability to find new jobs if they become unemployed, according to a survey by the New York Federal Reserve. Technically market is under long liquidation as market has witnessed drop in open interest by -8.18% to settled at 14211 while prices down -399 rupees, now Silver is getting support at 52138 and below same could see a test of 51626 levels, and resistance is now likely to be seen at 52974, a move above could see prices testing 53298.

#### Trading Idea for the day

Silver trading range for the day is 51626-53298.

Silver dropped but recovered most of its losses as traders continued to weigh the impact of the rapid surge of coronavirus cases and an escalation in U.S.-China tensions

Data showed a slightly bigger than expected increase in U.S. consumer prices in the month of June.

U.S. consumers are more optimistic that the worst of the economic crisis sparked by the coronavirus pandemic is behind them.

### MCX CRUDEOIL

#### Technical Chart



Open	High	Low	Close	Net Cng
2949.00	3056.00	2944.00	3035.00	-20.00
OI	% OI	Volume	Trend	% Cng
1841.00	0.88	126790.00	Negative	-0.65

#### Fundamentals

Crude oil yesterday settled down by -0.65% at 3035 on worries that new clampdowns on businesses to stem surging coronavirus cases in California and other U.S. states could threaten the nascent recovery in fuel demand. The oil market is getting closer to balance as demand gradually rises, OPEC's secretary general said on Monday, two days before the group and ally Russia meet to decide whether to ease output curbs from August. The Organization of the Petroleum Exporting Countries and allies, known as OPEC+, have been cutting output since May by 9.7 million barrels per day after the coronavirus crisis destroyed a third of global demand and caused a price collapse. U.S. crude oil output from seven major shale formations is expected to decline by about 56,000 barrels per day (bpd) in August to about 7.49 million bpd, the lowest in the two years, the U.S. Energy Information Administration said in a monthly productivity forecast on Monday. The EIA projected the biggest decline would be in the Eagle Ford in Texas where output will slide about 23,000 bpd to 1.1 million bpd, the lowest since August 2017. Saudi Arabia's oil exports in August will remain the same as in July as the extra barrels the kingdom is set to pump next month under an OPEC+ deal will be consumed domestically to meet rising power generation demand, industry sources told. Technically market is under fresh selling as market has witnessed gain in open interest by 0.88% to settled at 1841 while prices down -20 rupees, now Crude oil is getting support at 2968 and below same could see a test of 2900 levels, and resistance is now likely to be seen at 3080, a move above could see prices testing 3124.

#### Trading Idea for the day

Crude oil trading range for the day is 2900-3124.

Crude oil dropped on worries that new clampdowns on businesses to stem surging coronavirus cases in California and other U.S. states.

U.S. shale oil output to drop to 2-year low of 7.5 mln bpd in Aug -EIA

OPEC chief sees oil market moving closer to balance before key meeting

### MCX NATURALGAS

#### Technical Chart



Open	High	Low	Close	Net Cng
132.70	133.80	129.10	132.50	-0.40
OI	% OI	Volume	Trend	% Cng
12492.00	11.88	162365.00	Negative	-0.30

#### Fundamentals

Nat.Gas yesterday settled down by -0.3% at 132.5 as output slowly rose and liquefied natural gas exports (LNG) remained at their lowest since early 2018 due to a global hit to demand from the coronavirus pandemic. Prices were down despite forecasts for more hot weather and higher cooling demand over the next two weeks and an increase in pipeline exports to Canada and Mexico. Refinitiv said production in the Lower 48 U.S. states averaged 88.1 billion cubic feet per day (bcfd) so far in July, up from a 20-month low of 87.0 bcfd in June but still well below the all-time monthly high of 95.4 bcfd in November. Refinitiv forecast U.S. demand, including exports, will rise from 90.4 bcfd this week to 92.9 bcfd next week. That was higher than Refinitiv's outlook. Pipeline gas flowing to U.S. LNG export plants averaged just 3.2 bcfd (33% utilization) so far in July, down from a 20-month low of 4.1 bcfd in June and a record high of 8.7 bcfd in February. Utilization was about 90% in 2019. Flows to Freeport in Texas held at zero for an eighth straight day for the first time since July 2019 when the first of its three liquefaction trains was in test mode. Technically market is under fresh selling as market has witnessed gain in open interest by 11.88% to settled at 12492 while prices down -0.4 rupees, now Natural gas is getting support at 129.8 and below same could see a test of 127.1 levels, and resistance is now likely to be seen at 134.5, a move above could see prices testing 136.5.

#### Trading Idea for the day

Natural gas trading range for the day is 127.1-136.5.

Natural gas slipped as output slowly rose and LNG exports remained at their lowest since early 2018.

Prices were down despite forecasts for more hot weather and higher cooling demand over the next two weeks.

Refinitiv said production in the Lower 48 U.S. states averaged 88.1 bcfd so far in July, up from a 20-month low of 87.0 bcfd in June



### MCX COPPER

#### Technical Chart



Open	High	Low	Close	Net Cng
503.00	503.90	497.45	502.25	-2.15
OI	% OI	Volume	Trend	% Cng
5589.00	-0.71	24240.00	Negative	-0.43

#### Fundamentals

Copper yesterday settled down by -0.43% at 502.25 as rising virus cases globally raised fears of a second round of lockdowns. China's exports to the United States fell by 8.1% in the first half from the same period a year earlier while imports from the U.S. declined 1.5%. China and United States should create favorable conditions to implement the Phase 1 trade deal. Chile's state-owned Codelco, the world's largest copper producer, has registered a total 3,215 COVID-19 infections and nine deaths due to the pandemic, as pressure rises on production of the red metal. Supervisors at Antofagasta Minerals' Centinela copper mine in Chile have voted in favor of strike action after rejecting a pay offer, their union chief told. Copper inventories in three major consumption areas in China continued to rise this week, after subdued demand amid high prices drove up the stocks in the previous week, which was the first weekly build since March 20. Data showed that inventories of copper cathode across Shanghai, Guangdong and Jiangsu, including those in SHFE-approved warehouses, increased 1,400 mt from July 3 to 200,600 mt as of Friday July 10. Stocks of copper in Shanghai bonded areas have increased after two consecutive weeks of decline, as elevated copper futures depressed domestic consumption and widened discounts of copper scrap squeezed demand for refined copper. Technically market is under long liquidation as market has witnessed drop in open interest by -0.71% to settled at 5589 while prices down -2.15 rupees, now Copper is getting support at 498.5 and below same could see a test of 494.7 levels, and resistance is now likely to be seen at 505, a move above could see prices testing 507.7.

#### Trading Idea for the day

Copper trading range for the day is 494.7-507.7.

Copper prices dropped as rising virus cases globally raised fears of a second round of lockdowns.

China's June unwrought copper imports rise to record 656,483 tonnes

Supervisors at Antofagasta Minerals' Centinela copper mine in Chile have voted in favor of strike action after rejecting a pay offer, their union chief told

### MCX ZINC

#### Technical Chart



Open	High	Low	Close	Net Cng
175.70	175.70	171.80	172.70	-4.40
OI	% OI	Volume	Trend	% Cng
1818.00	-18.11	12279.00	Negative	-2.48

#### Fundamentals

Zinc yesterday settled down by -2.48% at 172.7 as simmering Sino-U.S. tensions and fresh coronavirus restrictions in California kept a lid on investor optimism as earnings season gets underway. The United States rejected China's disputed claims to offshore resources in most of the South China Sea - a shift in tone which prompted a rebuke from Beijing. The Trump Administration also plans on scrapping a 2013 auditing agreement that could foreshadow a broader crackdown on U.S.-listed Chinese firms, as friction between the world's two largest economies generates heat on a broad front. Investors looked to domestic corporate earnings and upcoming data to gauge whether guarded optimism on the country's economic outlook is justified. China's refined zinc output fell for a second straight month in June, as smelters in Shaanxi, Hunan and Anhui conducted maintenance as planned and as Xiangyun Feilong in Yunnan scaled back output due to equipment failure. The decline was limited by the recovery from maintenance at some smelters in Yunnan and Inner Mongolia and as Shaanxi Hanzhong smelter ramped up production. Zinc inventories in China rose over the weekend, due to concentrated arrivals at some regions and as a spike in prices sidelined buyers. Data showed that social inventories of refined zinc ingots across Shanghai, Tianjin, Guangdong, Jiangsu, Zhejiang, Shandong and Hebei increased 1,800 mt from last Friday July 10 to 214,200 mt Technically market is under long liquidation as market has witnessed drop in open interest by -18.11% to settled at 1818 while prices down -4.4 rupees, now Zinc is getting support at 171.1 and below same could see a test of 169.5 levels, and resistance is now likely to be seen at 175, a move above could see prices testing 177.3.

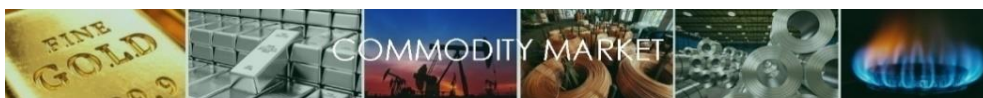
#### Trading Idea for the day

Zinc trading range for the day is 169.5-177.3.

Zinc dropped as simmering Sino-U.S. tensions and fresh coronavirus restrictions in California kept a lid on investor optimism.

Tension grew between the United States and China.

China's refined zinc output fell for a second straight month in June



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### MCX NICKEL

#### Technical Chart



Open	High	Low	Close	Net Cng
503.00	503.90	497.45	502.25	-2.15
OI	% OI	Volume	Trend	% Cng
5589.00	-0.71	24240.00	Negative	-0.43

#### Fundamentals

Nickel yesterday settled down by -0.7% at 1027.7 as mounting Sino-U.S. tensions sparked fresh worries of economic retaliation between the world's two biggest economies. Broader sentiment was dull after the United States rejected China's disputed claims in most of the South China Sea, with U.S. Secretary of State Mike Pompeo saying Beijing's claims were "completely unlawful". China's June nickel cathode output rose 10.8% year on year to 15,099 tonnes. The total, which included 13,000 tonnes from top producer Jinchuan Group, was up 5.4% from May. Production in the second half of 2020 to be little changed year on year, without providing a figure for the last six months of 2019. The global nickel market surplus narrowed to 8,800 tonnes in April from a downwardly revised 10,900 tonnes the previous month, data from the International Nickel Study Group (INSG) showed. For the first four months of this year, there was a global surplus of 53,900 tonnes compared with a deficit of 23,500 tonnes in the same period of 2019. China's exports grew unexpectedly in June, data from the General Administration of Customs. Exports grew 0.5 percent on a yearly basis in June. Likewise, imports increased 2.7 percent annually, confounding expectations for a decrease of 10 percent. Technically market is under long liquidation as market has witnessed drop in open interest by -7.64% to settled at 1125 while prices down -7.2 rupees, now Nickel is getting support at 1021.1 and below same could see a test of 1014.4 levels, and resistance is now likely to be seen at 1032.5, a move above could see prices testing 1037.2.

#### Trading Idea for the day

Nickel trading range for the day is 1014.4-1037.2.

Nickel prices dropped as mounting Sino-U.S. tensions sparked fresh worries of economic retaliation between the world's two biggest economies.

China's exports to the United States fell by 8.1% in the first half from the same period a year earlier.

The global nickel market surplus narrowed to 8,800 tonnes in April from a downwardly revised 10,900 tonnes the previous month.

### MCX ALUMINIUM

#### Technical Chart



Open	High	Low	Close	Net Cng
175.70	175.70	171.80	172.70	-4.40
OI	% OI	Volume	Trend	% Cng
1818.00	-18.11	12279.00	Negative	-2.48

#### Fundamentals

Aluminium yesterday settled down by -0.72% at 138.8 as simmering Sino-U.S. tensions and fresh coronavirus restrictions in California kept a lid on investor optimism. The United States rejected China's disputed claims to offshore resources in most of the South China Sea - a shift in tone which prompted a rebuke from Beijing. The Trump Administration also plans on scrapping a 2013 auditing agreement that could foreshadow a broader crackdown on U.S.-listed Chinese firms, as friction between the world's two largest economies generates heat on a broad front. China's economy likely returned to modest growth in the second quarter after a record contraction, as lockdown measures ended and policymakers announced more stimulus to combat the shock from the coronavirus crisis. The world's second-largest economy likely grew 2.5% in April-June from a year earlier, reversing a 6.8% decline in the first quarter - the first contraction since at least 1992 when official quarterly gross domestic product (GDP) records started. China's services sector, which is dominated by smaller companies, has not rebounded as quickly as industrial production, though there are some signs that consumer confidence is gradually improving. Data showed the country's imports in June rose for the first time this year as stimulus boosted demand for building materials, while exports also edged up as overseas economies reopened after lockdowns. Technically market is under long liquidation as market has witnessed drop in open interest by -8.67% to settled at 853 while prices down -1 rupees, now Aluminium is getting support at 138.3 and below same could see a test of 137.7 levels, and resistance is now likely to be seen at 139.6, a move above could see prices testing 140.3.

#### Trading Idea for the day

Aluminium trading range for the day is 137.7-140.3.

Aluminium prices dropped as simmering Sino-U.S. tensions and fresh coronavirus restrictions in California kept a lid on investor optimism.

US rejected China's disputed claims to offshore resources in most of the South China Sea - a shift in tone which prompted a rebuke from Beijing.

China's economy likely returned to modest growth in the second quarter after a record contraction, as lockdown measures ended and policymakers announced more stimulus



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