

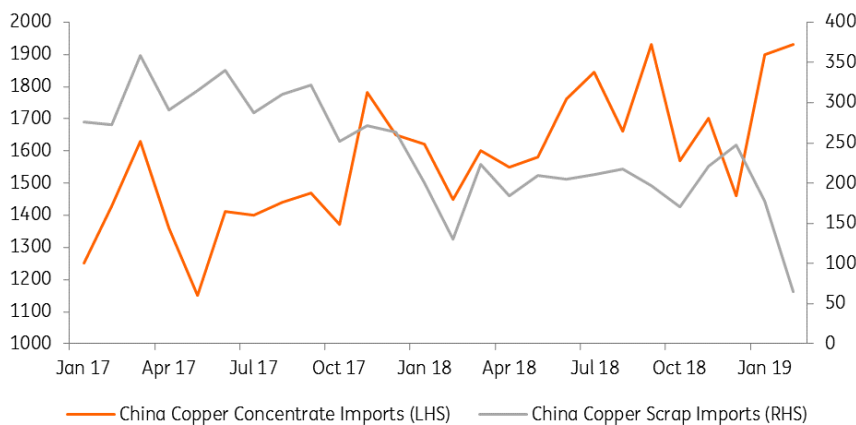
The Commodities Feed: Copper smelter delays persist

Your daily roundup of commodity news and ING views



Source: Shutterstock

Chinese copper concentrate imports vs. copper scrap imports (k tonnes)



Source: China Customs, Bloomberg, ING Research

Energy

US crude oil inventories: The API is scheduled to release its weekly inventory report later today, and market expectations- according to a Bloomberg survey- are that US crude oil inventories declined by 3MMbbls. Drawdowns are expected in both gasoline and distillate fuel oil as well. US gasoline inventories have been in decline since early February, which has proven supportive for gasoline cracks after a poor performance at the start of the year.

Delays in shipping as a result of the Houston Ship Channel closure may have an impact on the import/export numbers, however this is more likely to be reflected in the numbers released next week.

OPEC+ April meeting: OPEC+ members have officially agreed to cancel their meeting which was scheduled for April. This would see the next official OPEC+ meeting take place in Vienna on 25-26 June, whilst the Joint Ministerial Monitoring Committee will meet in Saudi Arabia in May. The cancellation of the meeting could suggest that all members are not in agreement to extend the current deal which is set to last until the end of June. If this is the case, it is likely that it is Russia who is not convinced that an extension to the deal is needed.

Metals

Copper smelter delays: The restart of the Chuquicamata smelter in Chile could be delayed further. The smelter is running behind schedule and Codelco has now removed the main contractor in charge of constructing two acid plants at the smelter. Codelco will complete the upgrade itself, with the first acid plant scheduled to be operational by the second half of April and the second acid plant 15-20 days later. Meanwhile, treatment and refining charges for imported copper in China dropped further to US\$68-73/t and US¢6.8-7.3/lb compared to US\$70-75/t last week and US\$90-95/t at the start of the year, as Chinese smelters increase demand for copper concentrate.

This was reflected in Chinese trade data which showed that smelters in the country imported 1.93mt of concentrate in February, which matches the record volume of concentrate that was imported in September. With the Chinese government cracking down on scrap imports, Chinese smelters appear to be filling the void with increased concentrate volumes.

Daily price update

| | Current | % DoD ch | %YTD ch | | Current | % DoD ch | %YTD ch |
|----------------------------|---------|----------|---------|--------------------------|---------|----------|---------|
| ICE Brent (US\$/bbl) | 67.21 | 0.27 | 24.93 | Comex Silver (US\$/oz) | 15.5 | 1.06 | -0.21 |
| NYMEX WTI (US\$/bbl) | 58.82 | -0.37 | 29.53 | LME Copper (US\$/t) | 6,340 | 0.44 | 6.29 |
| ICE Gasoil (US\$/t) | 607 | 1.59 | 18.80 | LME Aluminium (US\$/t) | 1,883 | -1.05 | 2.00 |
| NYMEX HO (Usc/g) | 198 | 0.74 | 17.82 | LME Zinc (US\$/t) | 2,832 | 0.60 | 14.80 |
| Eurobob (US\$/t) | 585 | 0.28 | 21.97 | LME Nickel (US\$/t) | 12,966 | -0.22 | 21.29 |
| NYMEX RBOB (Usc/g) | 194 | 0.62 | 46.40 | CBOT Corn (Usc/bu) | 380 | 0.40 | 1.27 |
| NYMEX NG (US\$/mmbtu) | 2.76 | 0.07 | -6.29 | CBOT Wheat (Usc/bu) | 470 | 0.75 | -6.71 |
| API2 Coal (US\$/t) | 66 | -0.91 | -23.96 | CBOT Soybeans (Usc/bu) | 907 | 0.30 | 2.72 |
| NYMEX Coking Coal (US\$/t) | 213 | 0.00 | -6.52 | ICE No.11 Sugar (Usc/lb) | 12.48 | -0.72 | 3.74 |
| | | | | ICE Arabica (Usc/lb) | 94 | 0.37 | -7.46 |
| | | | | ICE London Cocoa (GBP/t) | 1,677 | 3.01 | -5.04 |

Source: Bloomberg, ING Research

Author

Warren Patterson

Head of Commodities Strategy

Warren.Patterson@asia.ing.com

Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. (“ING”) solely for information purposes without regard to any particular user’s investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies)*. The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit <http://www.ing.com>.