

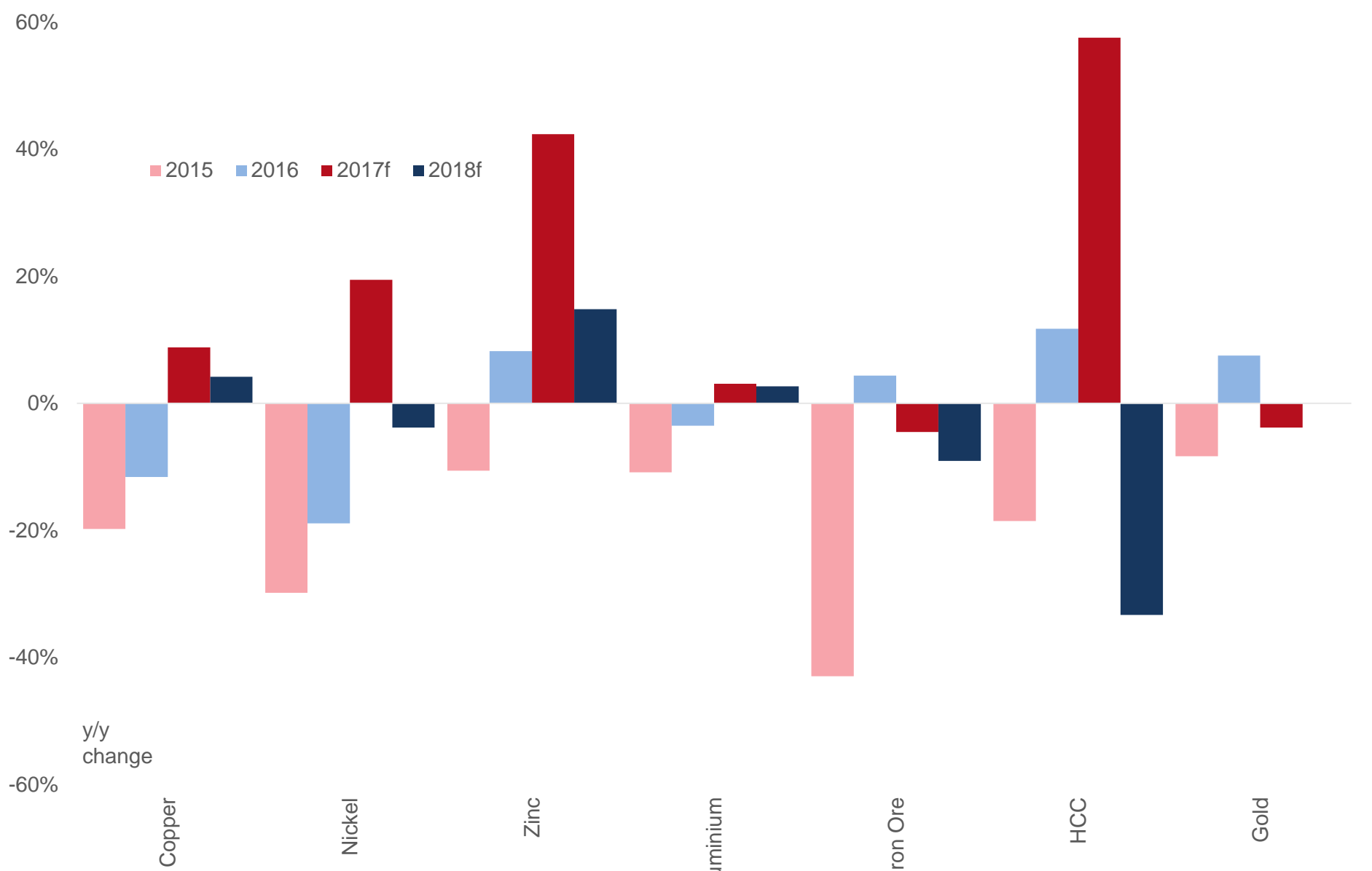
Metals Market Outlook

March 6, 2017

Rory Johnston
Commodity Economist
Scotiabank Economics

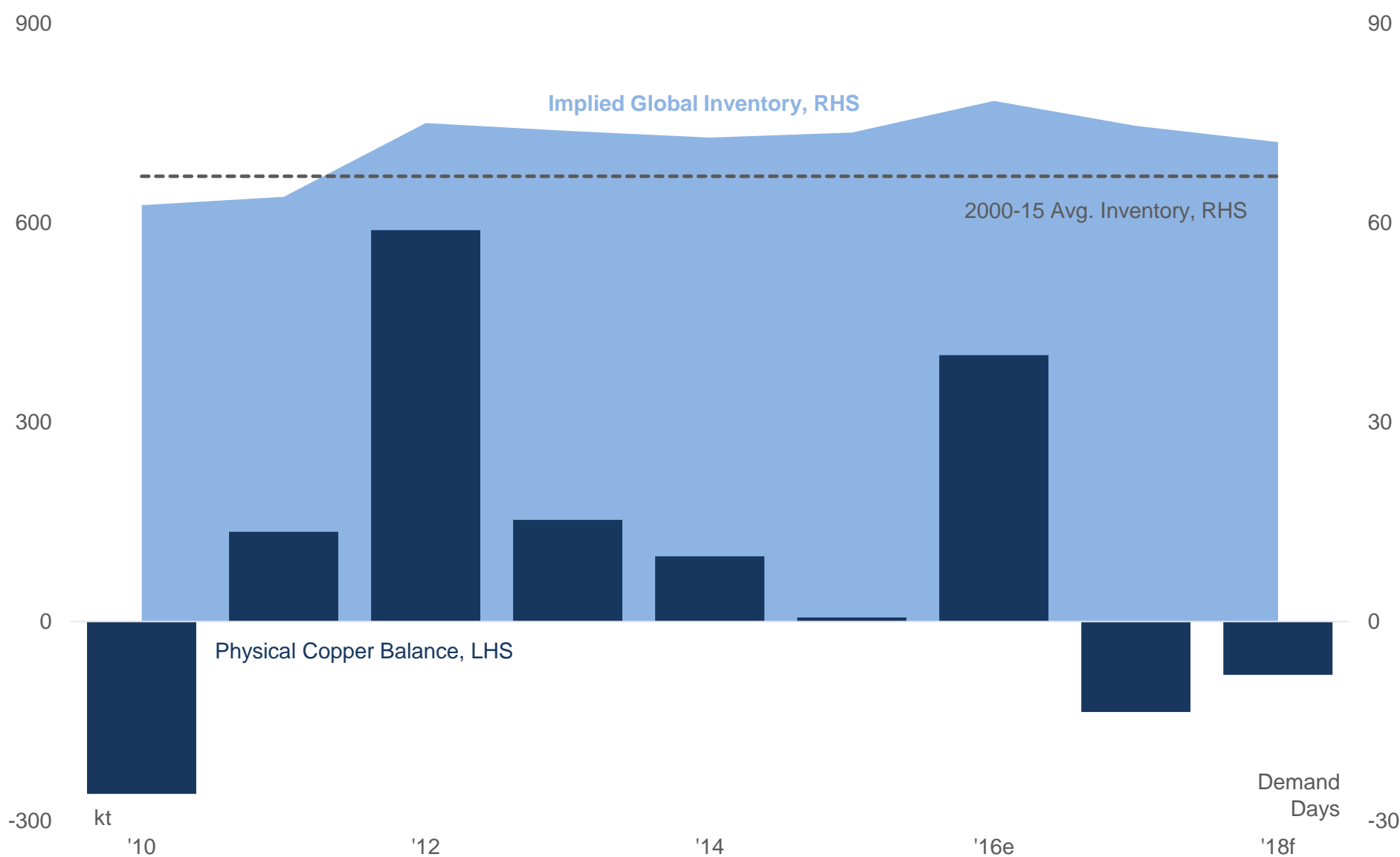


Reason For Optimism: Worst Is Behind Us



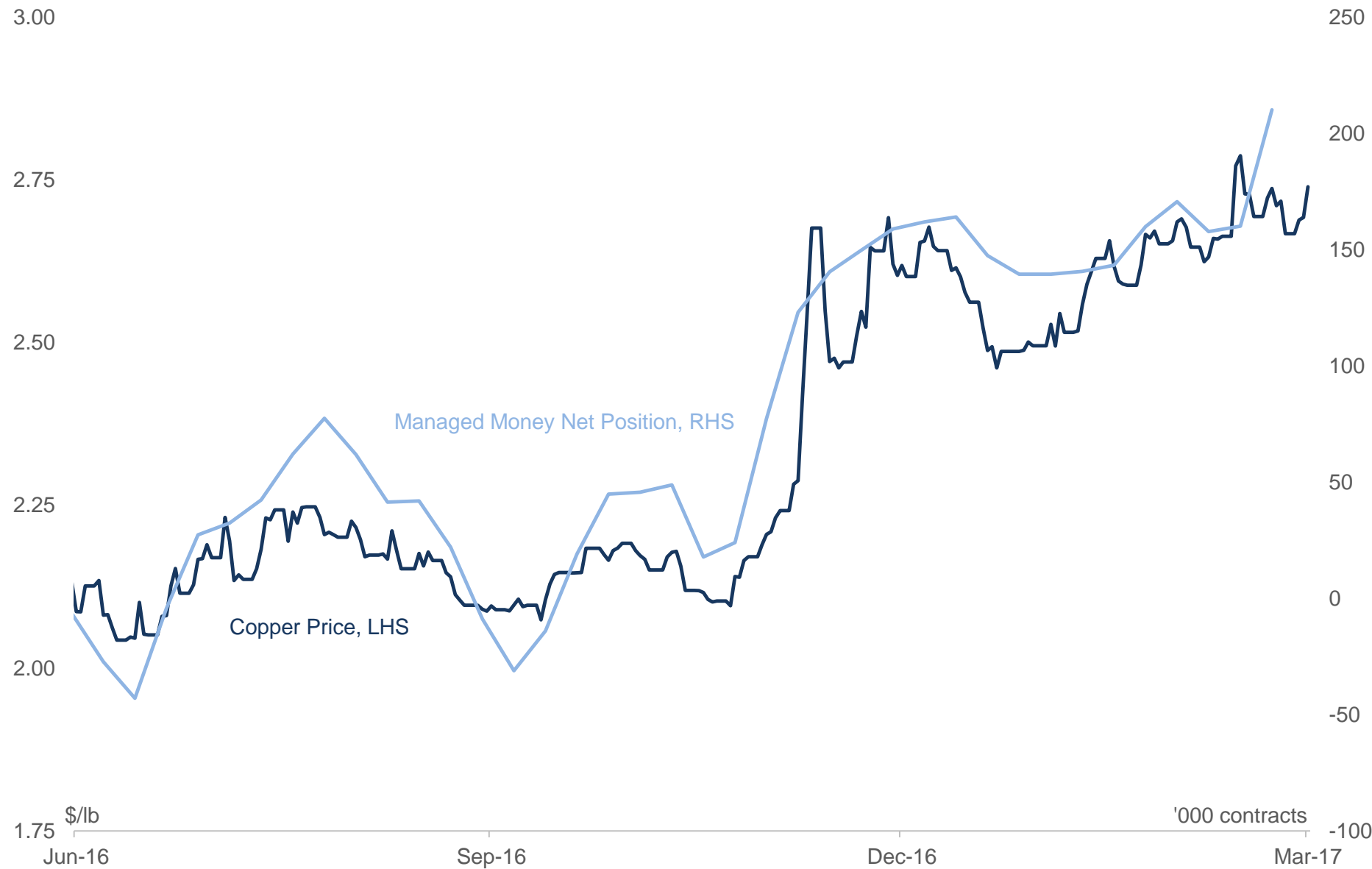
Source: Scotiabank Economics, LME, Bloomberg.

Copper Deficits To Draw Stocks Toward LT Average Levels



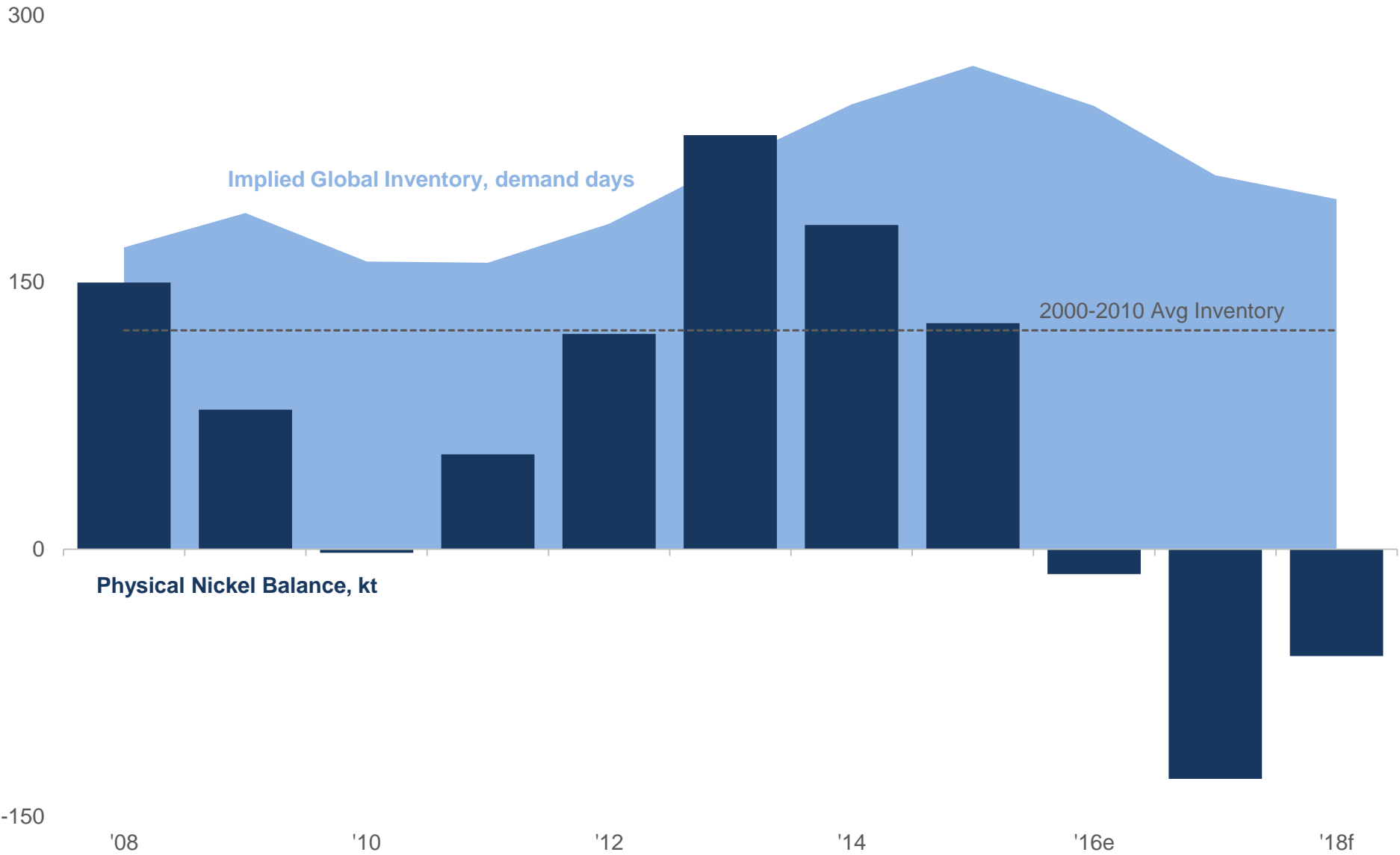
Source: Scotiabank Economics, Wood Mackenzie.

Copper Expected To Ease After Work Stoppages Are Resolved



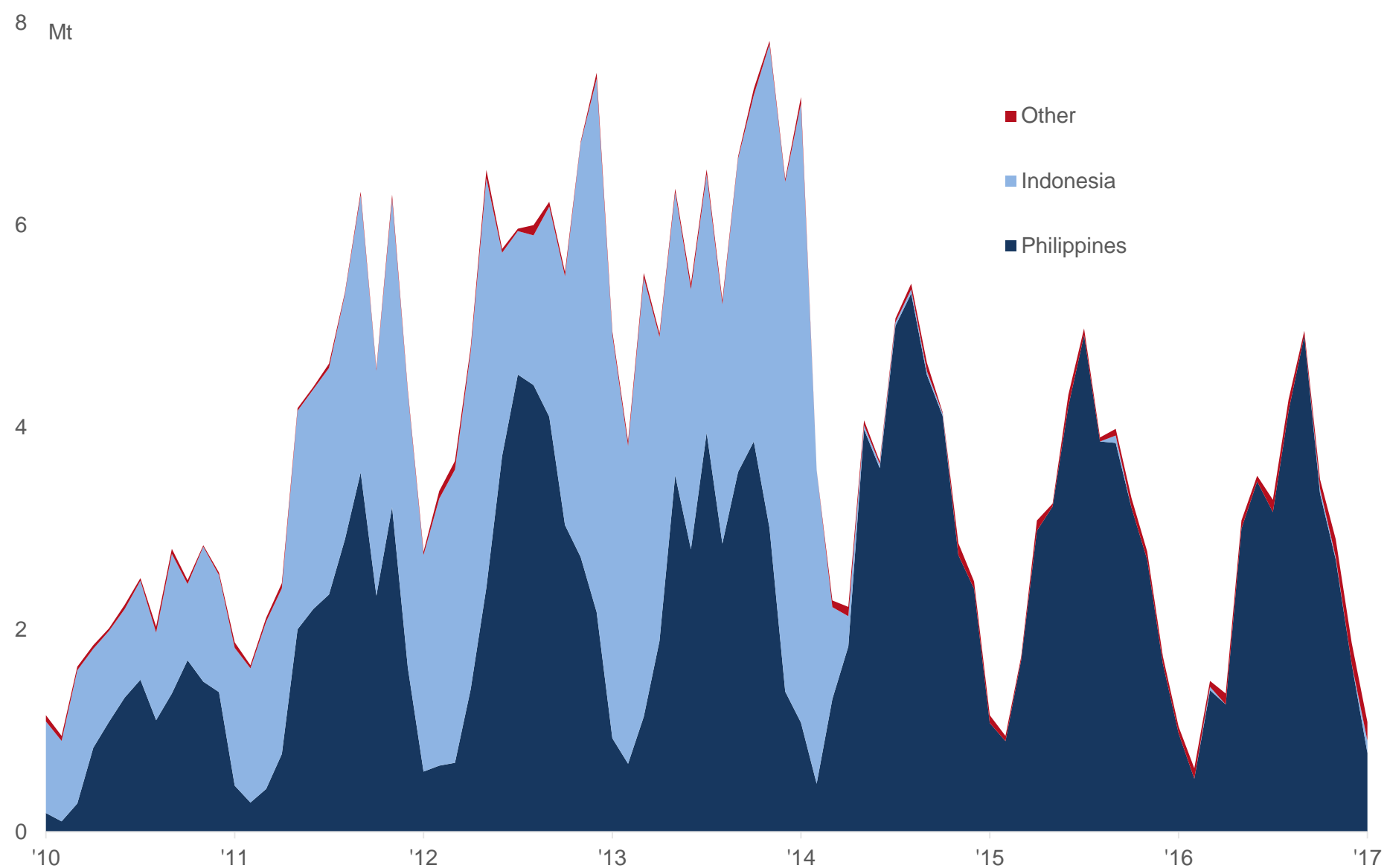
Source: Scotiabank Economics, LME, CFTC.

Decade Of Nickel Surplus Finally Gives Way To Deficits



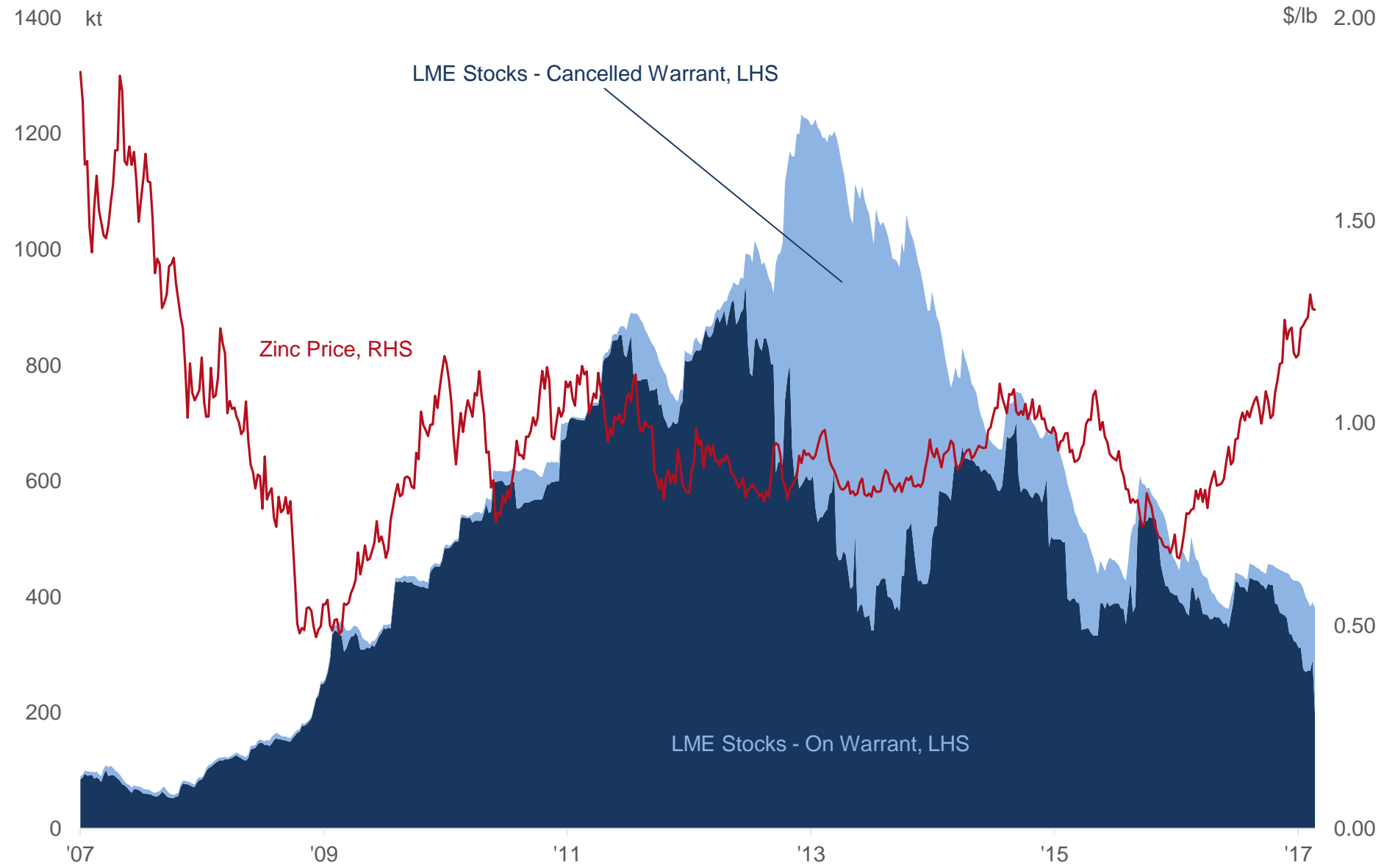
Source: Scotiabank Economics, Wood Mackenzie.

Chinese Nickel Ore Imports By Source



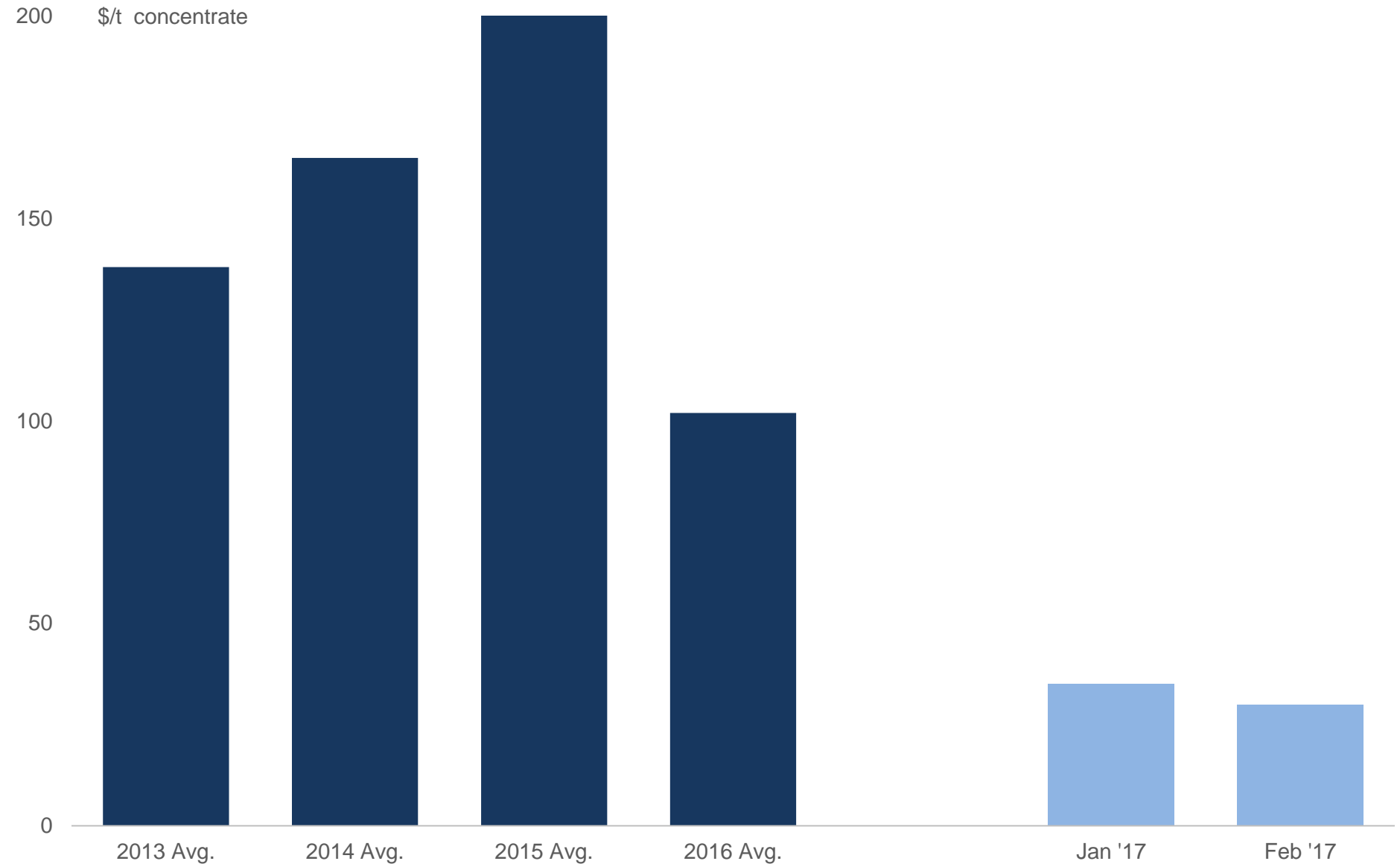
Source: Scotiabank Economics, China Customs.

Zinc Inventories Continue To Draw



Source: Scotiabank Economics, LME.

Plunging Treatment Charges Indicate Zinc Concentrate Tightness



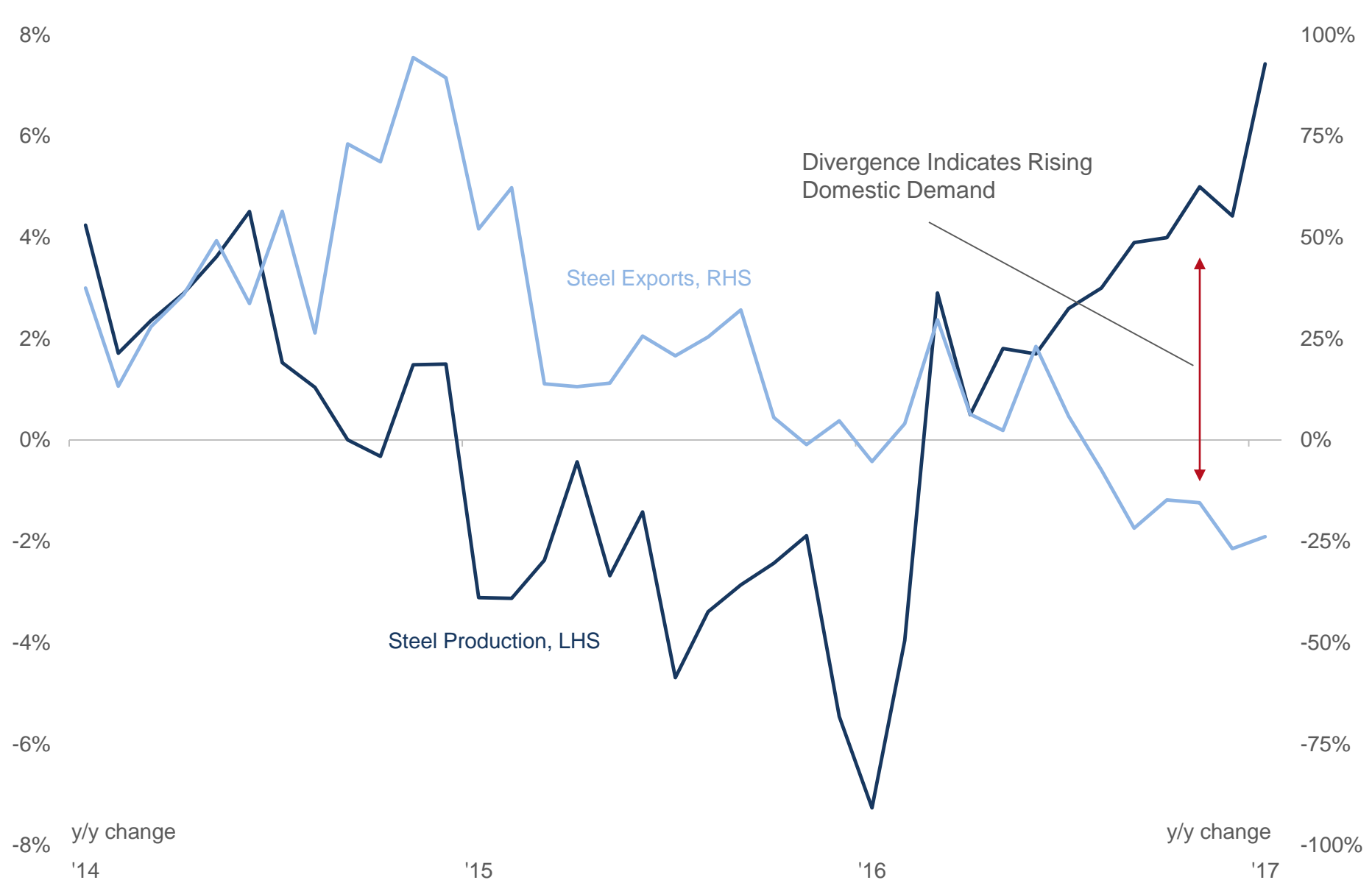
Source: Scotiabank Economics, Wood Mackenzie.

Higher Aluminium Prices Prompt Chinese Output Back To Growth



Source: Scotiabank Economics, LME, IAI.

Chinese Steel Output Rising As Exports Fall



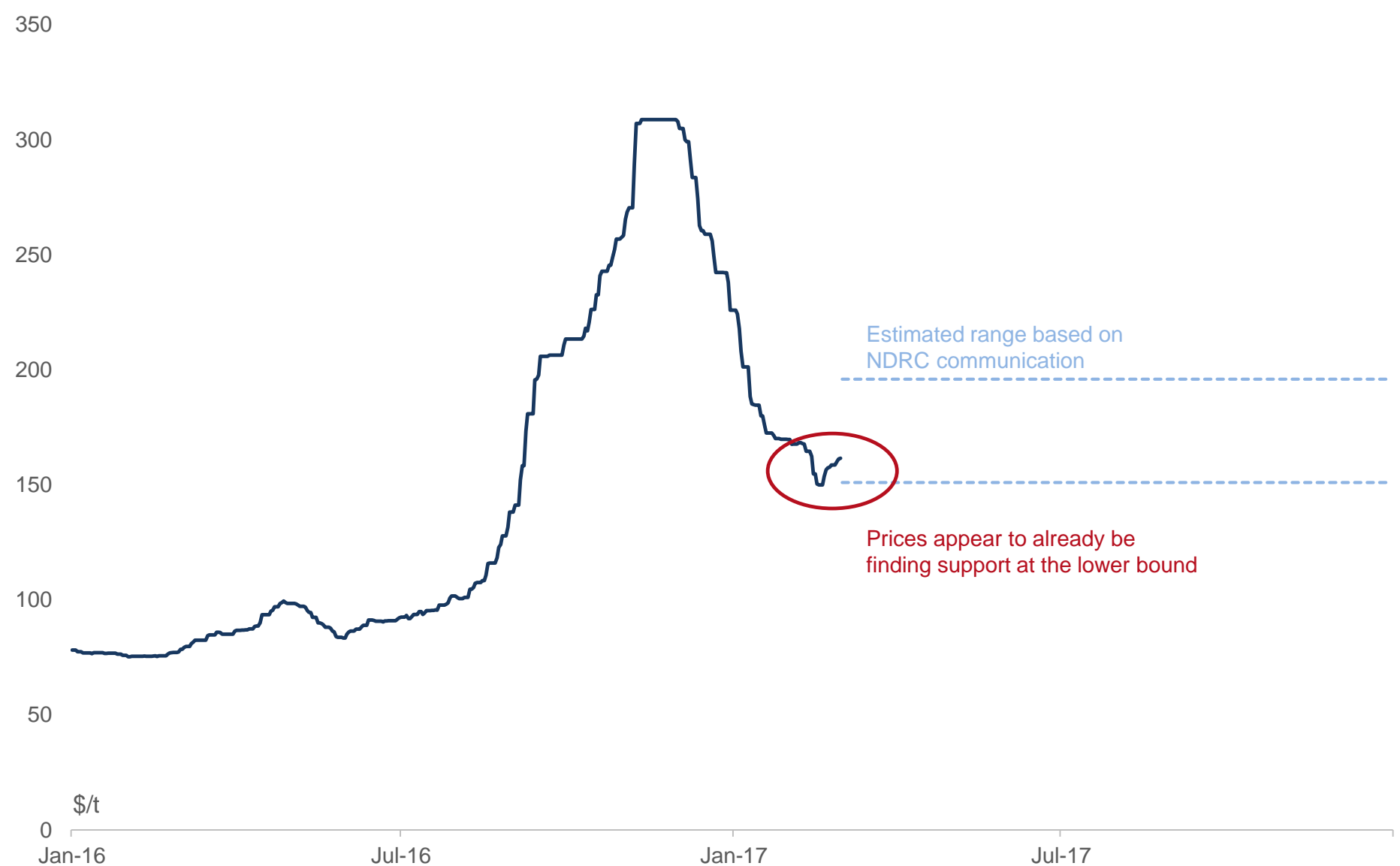
Source: Scotiabank Economics, WorldSteel, China Customs.

Iron Ore Prices and Chinese Inventories Climbing in Tandem



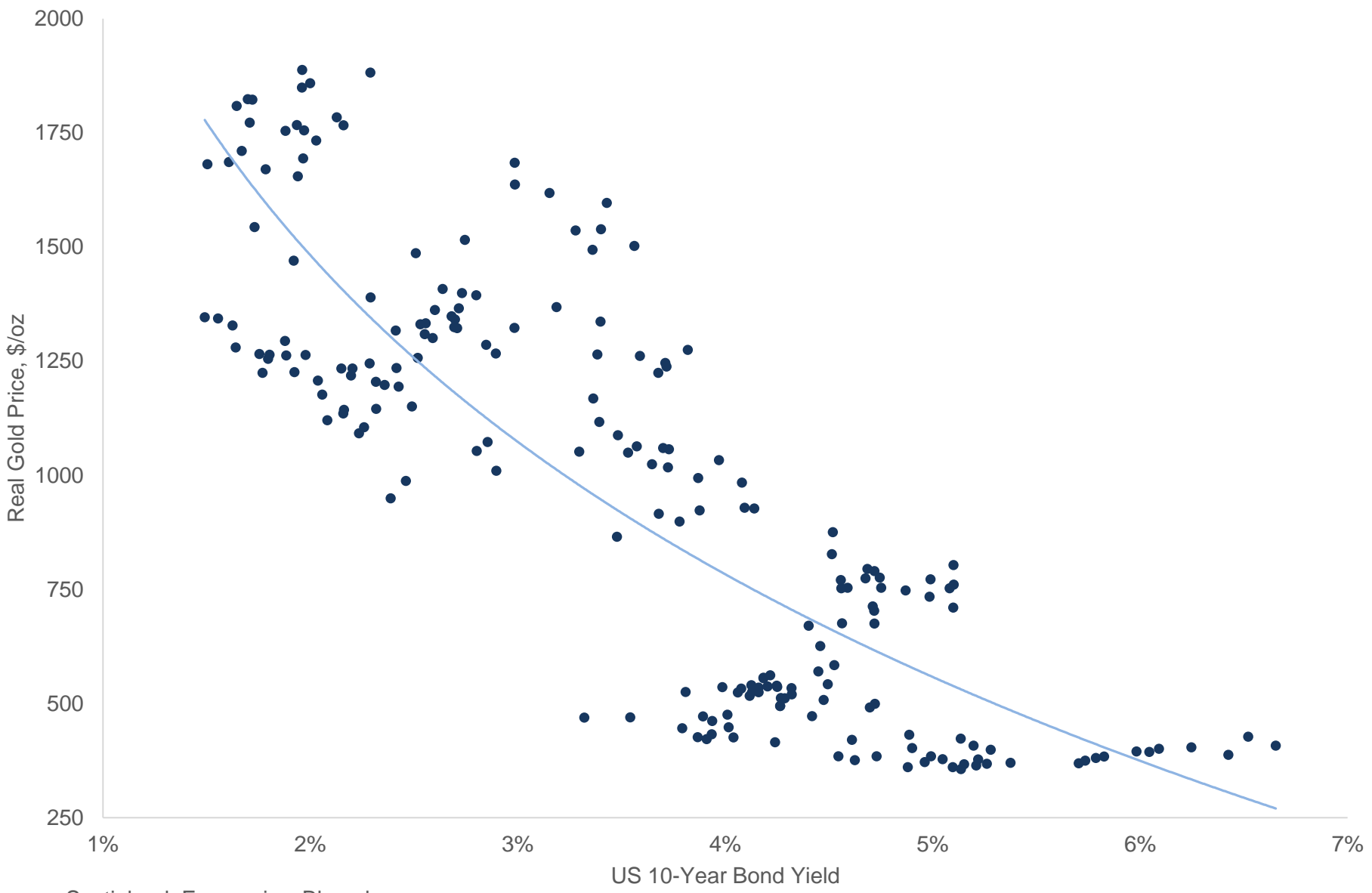
Source: Scotiabank Economics, SteelHome, Bloomberg

Hard Coking Coal Likely To Find Support Around \$150/t



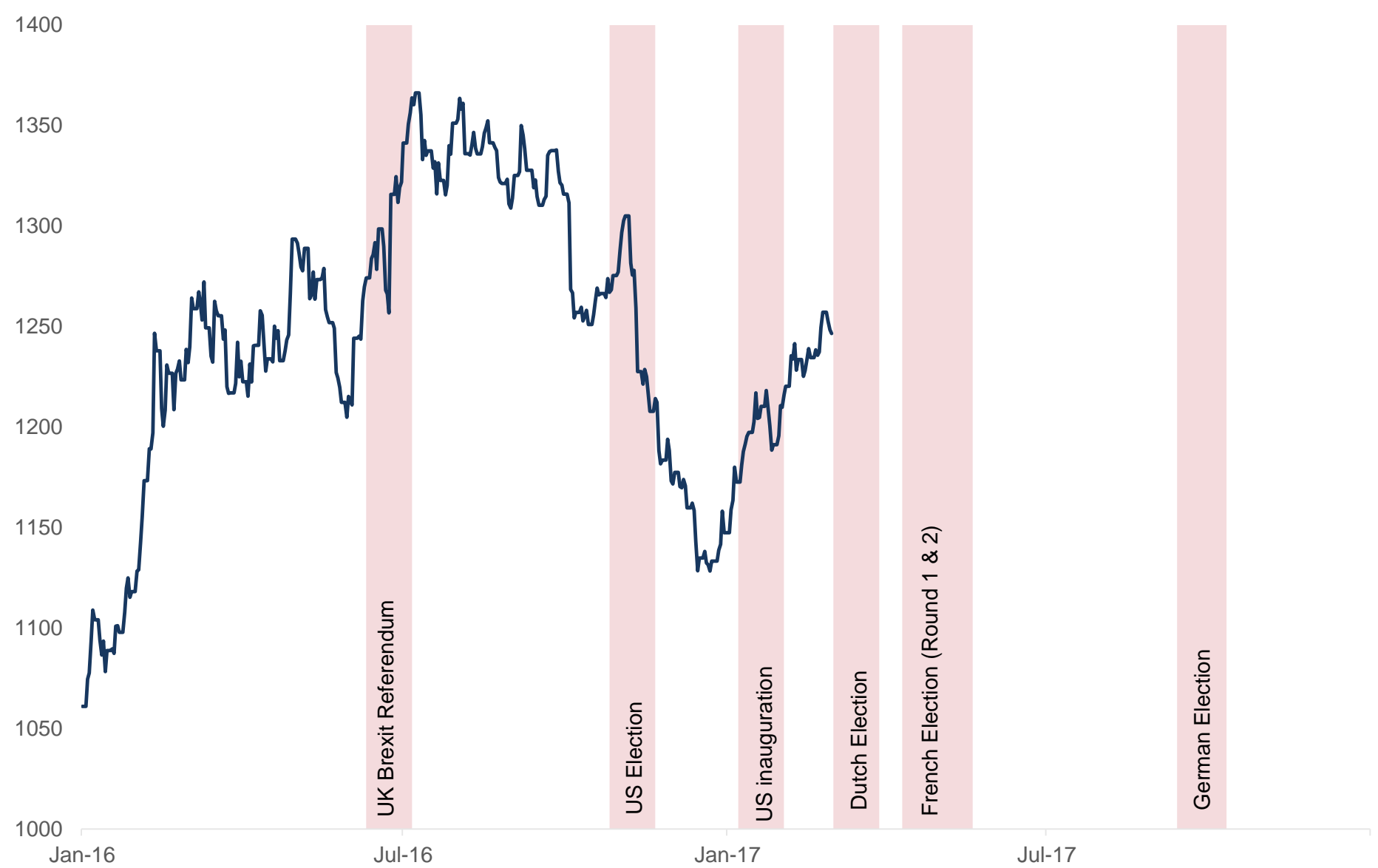
Source: Scotiabank Economics, Scotiabank Equity Research, Bloomberg, NDRC.

Rising Yields Present Headwinds For Gold...



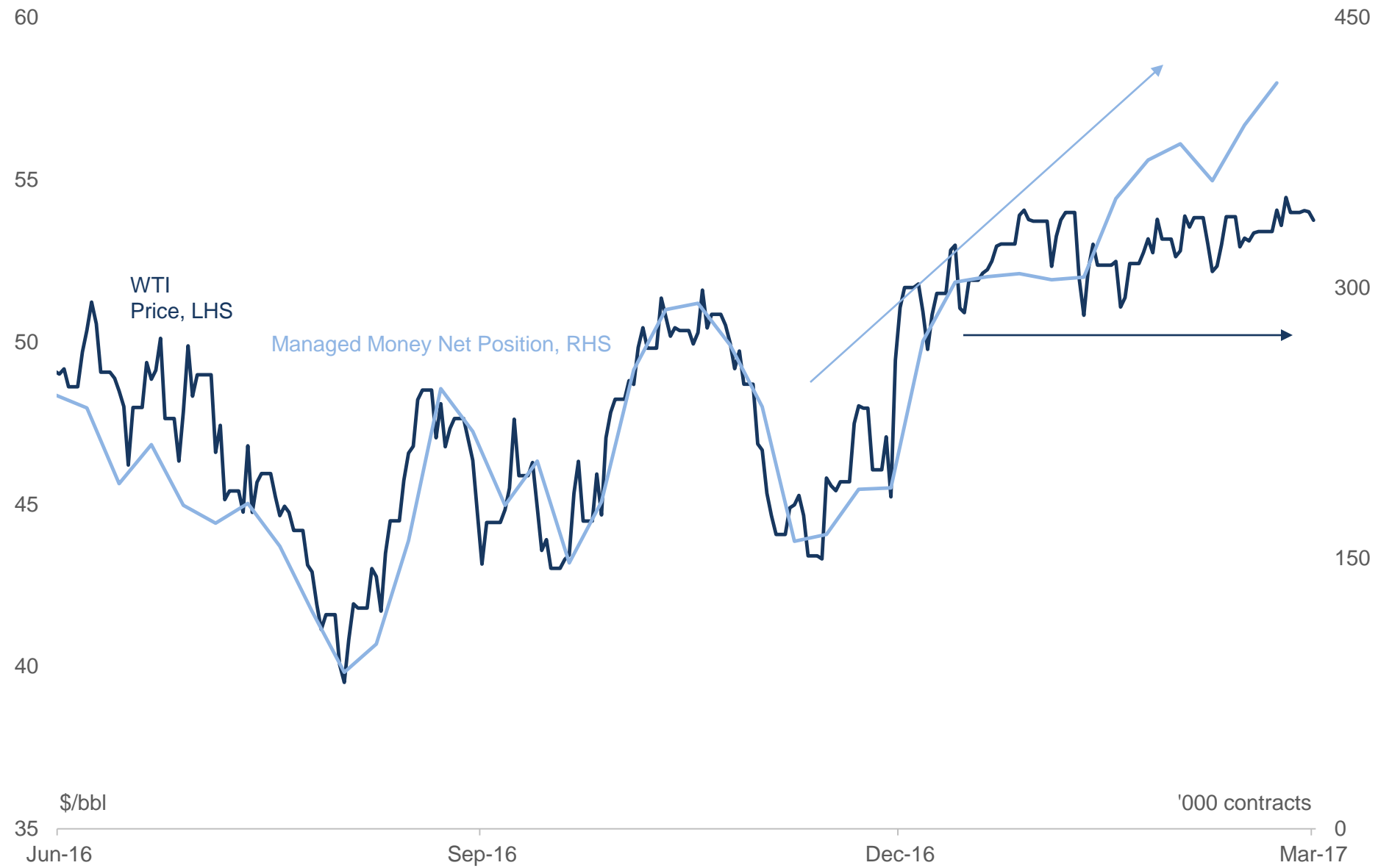
Source: Scotiabank Economics, Bloomberg.

... Though Political Risks Present Potential Upside.



Source: Scotiabank Economics, Bloomberg.

Speculative Positioning in WTI Surges But Price Trades Sideways



Source: Scotiabank Economics, NYMEX, CFTC.

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