

## Authors

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# Daily Base Metals Report

US stocks began the week on the front foot on the back of signs of progress about the coronavirus vaccine. In the recent round of the election campaign, Trump stated his plans to scale back US-China economic ties even further, giving rise to further trade tensions. The dollar softened, and the yield on 10yr US Treasuries remained broadly unchanged at 0.6625%. European shares fluctuated as trade talks with China are taking hold this week. The UK pound has strengthened into 1.278, after a revolt against Boris Johnson's plan to rewrite the Brexit deal took place, recovering from last week's losses.

LME metal prices were well bid today as risk appetite re-emerged. Aluminium prices were firmer, however lack of appetite above \$1,805/t, triggered a close at \$1,800.50/t. Copper prices tested the resistance of \$6,800/t and closed at \$6,796/t. Lead saw the biggest growth, trading up to \$1,930/t, and closing at the day's high at \$1,927/t; cash to 3-month spread tightened marginally to -\$27.75/t. Nickel prices opened on the front foot today, breaking through the key resistance level of \$15,200/t to close at \$15,274/t. Iron ore prices were higher on the day, closing at CNY842.50/t.

Oil futures pared losses on the back of downbeat demand predictions from the OPEC. At the time of writing, WTI and Brent trade at \$37.20/bl and \$39.57/bl respectively. The precious metal traded higher, with gold and silver up to \$1,958.83/oz and \$27.20/oz.

|           | Open  | High  | Low   | 5pm Close | PDC           | Volume       | Total O.I      | Spreads | Conversion |
|-----------|-------|-------|-------|-----------|---------------|--------------|----------------|---------|------------|
|           |       |       |       |           |               |              |                | C-3M    | USc/lb     |
| Aluminium | 1778  | 1805  | 1776  | 1800.5    | 1775          | 13015        | 792452         | -38.74  | 81.69      |
| Copper    | 6745  | 6800  | 6706  | 6796      | 6715          | 11970        | 325941         | 18.50   | 307.56     |
| Lead      | 1890  | 1930  | 1874  | 1927      | 1892          | 3840         | 112761         | -27.75  | 87.27      |
| Nickel    | 15130 | 15310 | 15075 | 15274     | 15110         | 5145         | 223506         | -47.25  | 692.19     |
| Tin       | 18120 | 18180 | 18050 | 18155     | 17990         | 201          | 17856          | -30.00  | 823.73     |
| Zinc      | 2476  | 2488  | 2465  | 2480      | 2472          | 5229         | 226189         | -23.25  | 112.33     |
|           |       |       |       |           | <b>Total:</b> | <b>39400</b> | <b>1698705</b> |         |            |

#### Official Prices

|           | Cash   | 3m     | Dec Yr 1 | Dec Yr 2 | PD Cash  | PD 3M  | Monthly Avg | Cash     | 3M |
|-----------|--------|--------|----------|----------|----------|--------|-------------|----------|----|
| Aluminium | 1749   | 1787.5 | 1877.5   | 1944     | 1736.95  | 1775   | 1754.25     | 1791.90  |    |
| Copper    | 6788   | 6762   | 6774     | 6756     | 6770.25  | 6739   | 6732.15     | 6709.65  |    |
| Lead      | 1873.5 | 1900   | 1938.5   | 1969.5   | 1860.5   | 1889.5 | 1916.30     | 1942.65  |    |
| Nickel    | 15090  | 15134  | 15345    | 15555    | 15049.25 | 15094  | 15153.20    | 15190.90 |    |
| Tin       | 18100  | 18114  |          |          | 18095    | 18102  | 18141.60    | 18140.00 |    |
| Zinc      | 2454.5 | 2476.5 | 2520.5   | 2550.5   | 2448.25  | 2471   | 2457.80     | 2484.20  |    |

#### LME Stocks (tonnes)

|           | Opening | In  | Out  | Net Change | Closing | C-warrants | Open Tonnage | Other Copper Markets | Last   | % Change |
|-----------|---------|-----|------|------------|---------|------------|--------------|----------------------|--------|----------|
| Aluminium | 1520650 | 0   | 4150 | -4150      | 1516500 | 260825     | 1255675      | Comex, USc/lb        |        |          |
| Copper    | 75550   | 0   | 675  | -675       | 74875   | 38325      | 36550        | SEP 20               | 307    | 1.19     |
| Lead      | 131225  | 0   | 575  | -575       | 130650  | 16800      | 113850       | DEC 20               | 306.75 | 0.92     |
| Nickel    | 237138  | 6   | 144  | -138       | 237000  | 58230      | 178770       | Shanghai, CNY/mt     |        |          |
| Tin       | 5540    | 115 | 25   | 90         | 5630    | 300        | 5330         | 00-Jan               | 0      | 0.00     |
| Zinc      | 219700  | 0   | 0    | 0          | 219700  | 5500       | 214200       | 00-Jan               | 0      | 0.00     |

#### Global Markets

| Global Markets |          |       | Currencies |          |       | Precious Metals |          |      | Previous Day's Fix |         |
|----------------|----------|-------|------------|----------|-------|-----------------|----------|------|--------------------|---------|
| Last           | % Change |       | Last       | % Change |       | Last            | % Change | AM   | PM                 |         |
| DAX            | 13194    | -0.07 | GBP        | 1.29     | 0.63  | Gold            | 1957.07  | 0.85 | 1944.5             | 1947.40 |
| DJI            | 28029    | 1.31  | JPY        | 105.67   | 0.46  | Silver          | 27.17    | 1.66 |                    | 2687.5  |
| S&P500         | 3398     | 1.72  | EUR        | 1.19     | 0.23  | Gold Comex      | 1967.8   | 1.02 |                    |         |
| SSE            | 3279     | 0.57  | CNY        | 6.81     | 0.35  | Platinum        | 956.64   | 2.77 |                    |         |
| Hg Seng        | 24640    | 0.56  | AUD        | 0.73     | 0.19  | Palladium       | 2329.65  | 0.23 |                    |         |
| Brent          | 40       | -0.30 | RUB        | 75.15    | -0.14 |                 |          |      |                    |         |

Source: Bloomberg  
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