

Authors

Daria Efanova
Head of Research

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Daily Base Metals Report

US stocks gained ground today as Americans headed for the midterm elections, with S&P strengthening for the third straight day. Historical evidence suggests that stock markets performed well following the midterm results, and this drove the sentiment in the US markets today. The dollar weakened below 110, and the 10yr US Treasury yield remained broadly unchanged. The 2yr yield settled at 4.67%. Meanwhile, US small business optimism dropped for the first time since June, retreating to 91.3 as the sales outlook worsened, with many noting that inflation has accelerated.

Base metals have begun today on the back foot, but a weaker dollar drove a healthy gain across the entire base metals complex. This has offset the weakness coming from China, where prevailing lockdown measures and a jump in covid cases soured the optimism on potential reopening. Aluminium jumped higher above \$2,360/t, testing October highs of \$2,372/t. Likewise, copper breached resistance of \$8,050/t, settling higher at \$8,115.50/t. Both copper ore and unwrought copper rose by 8.4% y/y and 8.8% to 20.76m t and 4.817m t, respectively, but we expect overseas demand for final material to deteriorate as global economic prospects dwindle. Nickel jumped higher to \$24,012/t. Lead and zinc closed higher at \$2,054/t and \$2,931/t, respectively.

Oil futures, on the other hand, fell, driven by pessimism coming from China; WTI and Brent softened into \$90/bl and \$97/bl. Precious metals rallied on the back of a weaker dollar, with gold testing the highs of \$1,715/oz, a level not seen since early October; silver jumped to \$21.60/oz.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2333	2378	2314	2372	2339	12672	573902	-15.20	107.68
Copper	7952	8124	7872	8115.5	7949	16730	243963	17.00	368.46
Lead	2038	2061	1998	2054	2045	3693	97346	6.50	92.74
Nickel	23330	24100	23270	24012	23380	1422	142188	-105.00	1088.63
Tin	19150	19750	18995	19659	19115	648	14450	65.00	895.85
Zinc	2886	2949	2832	2931	2880	7708	196691	15.50	132.99
				Total:		42873	1268540		

Official Prices							Monthly Avg	
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M
Aluminium	2327	2339.5	2439.25	2511.25	2322.59	2337	2268.916667	2282.333333
Copper	7974	7967	8083	7882.25	7924.75	7914.5	7798.916667	7765.666667
Lead	2030	2034	2053.25	2041.25	2041.75	2036.5	2006.666667	2000.166667
Nickel	23410	23535	24056	24956	23290	23395	23203.333333	23375.833333
Tin	19575	19500			18997	18939	18508.333333	18424.166667
Zinc	2901.5	2890	2809.5	2644.5	2907.5	2886	2811.583333	2791.916667

LME Stocks (tonnes)							Other Copper Markets		
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change
Aluminium	570775	0	6400	-6400	564375	244650	319725	Comex, USc/lb	
Copper	84550	0	1475	-1475	83075	37575	45500	DEC 22	360.35 -2.25
Lead	27625	0	0	0	27625	5100	22525	MAR 23	360.05 -1.99
Nickel	50790	66	42	24	50814	5622	45192	Shanghai, CNY/mt	
Tin	4270	0	130	-130	4140	1100	3040	22-Nov	66350 -0.33
Zinc	43850	0	175	-175	43675	7150	36525	22-Dec	65330 -0.38

Global Markets	Currencies			Precious Metals			Previous Day's Fix		
Last	% Change		Last	% Change	Last	% Change	AM	PM	
DAX	13689	1.15	GBP	1.1594	0.6948	Gold	1716.05	2.4122	1679.9
DJI	33312	1.48	JPY	145.3800	0.8598	Silver	21.62	3.9242	2067
S&P500	3857	1.33	EUR	1.0091	0.7086	Gold Comex	1719.5	2.321	
SSE	3064	-0.43	CNY	7.2310	0.0028	Platinum	1003.16	1.7879	
Hq Seng	16557	-0.23	AUD	0.6544	1.0032	Palladium	1927.25	1.1876	
Brent	97	-0.64	RUB	118.6895	1.4433				

Source: Bloomberg
Updated: 08/11/2022 16:54

All price data is from 08.11.2022 as of 17:30

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