

Authors

Daria Efanova
Head of Research

FRI 11 NOVEMBER 2022 00:10

Daily Base Metals Report

US stocks surged today by the most in two years after the inflation reading came in lower than expected. The dollar sold off to 108.30, and the 10yr US Treasury yield weakened below 3.84%, September lows, as lower inflation eases the pressure on the Fed to hike aggressively. The markets still anticipate a 50bps increase next month, in line with the promise from the central bank. CPI reading grew by 7.7% y/y, vs the market expectations of 7.9%, and core has also come down from last month's peak to 6.3% y/y.

Commodities benefitted from the inflation reading today, with base metals seeing strong rallies in the latter part of the day. Overall performance was broadly positive as a result. Aluminium jumped higher to test the resistance at \$2,340/t before edging slightly lower to \$2,327/t, settling marginally unchanged day-on-day. Likewise, copper jumped above \$8,200/t, but resistance at \$8,300/t triggered a small correction back to \$8,271.50/t. Nickel broke above \$25,000/t, the level it struggled to breach since mid-September. Both lead and zinc advanced to close at \$2,098/t and \$2,884/t, respectively. From the fundamental standpoint, Chinese consumption remains lacklustre, and the outlook of weaker growth is set to continue into the year-end after government officials reiterated their resolve to keep the tight lockdown conditions in place in the meantime.

Oil futures edged higher as a result, with WTI and Brent now trading at \$86/bl and \$93/bl. Precious metals all benefitted from a softer CPI reading, with gold and silver jumping to \$1,749/oz and- \$21.56/oz, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2313	2351	2268	2327	2308	16036	576228	-17.25	105.91
Copper	8079	8315	7975	8271.5	8081	23944	245884	10.50	374.76
Lead	2065	2101	2029	2098	2061	4790	100942	1.50	94.78
Nickel	24885	26290	24400	25949	24750	3330	142234	-93.00	1186.84
Tin	19120	20400	19120	20324	19600	628	14505	226.00	914.91
Zinc	2850	2900	2793	2884	2856	7599	198346	15.50	130.55
Total:						56327	1278139		

Official Prices							Monthly Avg		
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M	
Aluminium	2272	2285	2397.25	2472.25	2303.89	2319	2277.9375	2291.75	
Copper	8065	8046	8060.5	8040.5	8114.25	8104.5	7861.6875	7831.375	
Lead	2065	2058	2092	2080	2085	2077	2020.625	2014.125	
Nickel	24420	24550	25312	26192	24595	24688	23466.875	23620.625	
Tin	19675	19455			19997	19817	18825	18714.375	
Zinc	2832	2813	2749	2599	2867	2853.5	2823.9375	2805.1875	

LME Stocks (tonnes)								Other Copper Markets		
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	558825	0	6225	-6225	552600	234275	318325	Comex, USc/lb		
Copper	80975	0	950	-950	80025	41200	38825	DEC 22	370 0.48	
Lead	27125	0	25	-25	27100	7075	20025	MAR 23	369.1 0.41	
Nickel	50412	0	30	-30	50382	5934	44448	Shanghai, CNY/mt		
Tin	4200	0	395	-395	3805	935	2870	22-Nov	67470 0.79	
Zinc	43625	0	575	-575	43050	6550	36500	22-Dec	66640 0.68	

Global Markets		Currencies		Precious Metals			Previous Day's Fix			
Last	% Change	Last	% Change	Last	% Change	AM	PM			
DAX	14146	3.51	GBP	1.1677	2.8086	Gold	1749.07	2.4802	1705.15	1715.25
DJI	33476	2.96	JPY	141.8600	3.2497	Silver	21.58	2.4994		2132
S&P500	3920	4.57	EUR	1.0173	1.6182	Gold Comex	1752.3	2.252		
SSE	3036	-0.39	CNY	7.1865	0.7584	Platinum	1040.4	5.1068		
Hq Seng	16081	-1.70	AUD	0.6587	2.4258	Palladium	1958.2	4.7872		
Brent	94	1.72	RUB	118.6895	1.4433					

Source: Bloomberg
Updated: 10/11/2022 17:02

All price data is from 10.11.2022 as of 17:30

Risk warning

This is a marketing communication. The information in this report is provided solely for informational purposes and should not be regarded as a recommendation to buy, sell or otherwise deal in any particular investment. Please be aware that, where any views have been expressed in this report, the author of this report may have had many, varied views over the past 12 months, including contrary views.

A large number of views are being generated at all times and these may change quickly. Any valuations or underlying assumptions made are solely based upon the author's market knowledge and experience.

Please contact the author should you require a copy of any previous reports for comparative purposes. Furthermore, the information in this report has not been prepared in accordance with legal requirements designed to promote the independence of investment research. All information in this report is obtained from sources believed to be reliable and we make no representation as to its completeness or accuracy.

This report is not subject to any prohibition on dealing ahead of the dissemination of investment research. Accordingly, the information may have been acted upon by us for our own purposes and has not been procured for the exclusive benefit of customers. Sucden Financial believes that the information contained within this report is already in the public domain. Private customers should not invest in these products unless they are satisfied that the products are suitable for them and they have sought professional advice. Please read our full risk warnings and disclaimers (www.sucdenfinancial.com/en/risk-warning-and-disclaimers).