

Authors

Daria Efanova
Head of Research

SAT 19 NOVEMBER 2022 00:10

Daily Base Metals Report

US stocks opened higher on the day but struggled to hold the highs and edged lower later on, while European shares rebounded after the Federal Reserve reaffirmed its resolve to keep the rates elevated in the meantime. The officials are likely to keep their rhetoric moderately hawkish until the next meeting in December to make sure that the coordinated effort of tighter policy expectations is not getting undone. US existing home sales fell by 5.9% m/m in October, while less than the market anticipated, below the August figure of -1.5%. The dollar settled at 106.70, and the 10yr US Treasury yield edged slightly higher. Elsewhere, the UK mortgage rates are expected to remain elevated at 5.0% for the next five years, with the peak seen in the second half of 2024, according to the Office for Budget Responsibility.

The slightly elevated sentiment was seen across the base metals group today, thanks in part to China's steps to ease some of the restrictions while supporting the property sector. Still, the number of covid cases in the economy continues to climb rapidly, reaching April highs, and regions that saw some relief from lifted restrictions will still take time to bounce back. Nickel weakness calmed today, as the metal found support at \$24,000/t, which brought the performance to close marginally higher day-on-day at \$25,385/t. Likewise, aluminium found support at \$2,380/t before edging higher to close at \$2,430/t. Lead and zinc both closed higher at \$2,154/t and \$3,031/t, respectively. Copper was the only one seen edging lower today, as it settled at \$8,075/t.

Oil futures fell today, and the US prompt-spread flipped into contango for the first time since last year, a signal of potential oversupply in the market. WTI and Brent weakened to \$78./bl and \$86/bl, respectively. Gold and silver remained unchanged at \$1,754/oz and \$21.04/oz, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2395	2440	2377	2430	2395	10917	563516	-24.49	109.91
Copper	8130	8180	8050	8076	8118	16689	245770	-32.50	366.10
Lead	2140	2189	2135	2154	2141	4086	100588	-12.95	97.86
Nickel	25225	26395	23900	25385	25450	2260	143228	-135.00	1164.16
Tin	22985	23005	21524	22664	22500	426	14065	145.00	1025.36
Zinc	3013	3054	2992	3031	3008	5175	203092	-8.00	137.42
					Total:	39553	1270259		

Official Prices							Monthly Avg		
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M	
Aluminium	2369	2400	2502.25	2579.25	2365	2391	2324.285714	2343.857143	
Copper	8047	8086	8107	8106	8072.25	8110	8038.607143	8031.892857	
Lead	2175	2184	2155	2137	2139	2150.5	2088.571429	2085.857143	
Nickel	24850	25050	25726	26726	24929	25064	24988.57143	25137.5	
Tin	21750	21550			22726	22584	20508.57143	20329.64286	
Zinc	3007.5	3016	2968.25	2863.25	2984	2987	2922.392857	2908.25	

LME Stocks (tonnes)							Other Copper Markets			
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	528250	0	3875	-3875	524375	208525	315850	Comex, USc/lb		
Copper	89925	750	925	-175	89750	19850	69900	DEC 22	368.8 -2.27	
Lead	29625	0	0	0	29625	6300	23325	MAR 23	369.4 -2.11	
Nickel	49500	42	30	12	49512	5184	44328	Shanghai, CNY/mt		
Tin	3455	0	40	-40	3415	560	2855	22-Nov	65860 -0.69	
Zinc	42750	0	50	-50	42700	9250	33450	22-Dec	65570 -0.70	

Global Markets			Currencies		Precious Metals			Previous Day's Fix	
Last	% Change		Last	% Change	Last	% Change	AM	PM	
DAX	14432	1.16	GBP	1.1900	0.3034	Gold	1754.08	-0.3613	1764.55
DJI	33708	0.48	JPY	140.0400	0.1143	Silver	21.05	0.44	2107.5
S&P500	3956	0.24	EUR	1.0347	-0.1448	Gold Comex	1770.3	-0.422	
SSE	3097	-0.58	CNY	7.1198	0.5337	Platinum	984.44	-0.0822	
Hq Seng	17993	-0.29	AUD	0.6680	-0.0748	Palladium	1962.2	-2.4121	
Brent	87	-3.40	RUB	118.6895	1.4433				

Source: Bloomberg
Updated: 18/11/2022 16:56

All price data is from 18.11.2022 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).