

Authors

Daria Efanova
Head of Research

FRI 02 DECEMBER 2022 00:10

Daily Base Metals Report

US stocks reversed the earlier gains today following the lacklustre economic data release. Powell's speech provided clues for the next meeting this month, with a softer rate-hike at 50bps now being priced in by the market. The softer hawkishness was, however, later offset by US data suggesting the first monthly contractionary manufacturing performance in more than two years as the economic backdrop sours and new orders continue to fall. At the same time, the core PCE measure came in lower than expected, growing by 0.2% m/m, vs 0.5% during the previous month, marking the slowest increase so far this year. Employment data also pointed to slowing momentum, with US initial jobless claims jumping to February highs of 225,000 in the week ending November 26th. The dollar continued to weaken, and the 10yr US Treasury yield is seen falling towards 3.50%.

The bullish sentiment prevailed today across the base metals sector, but momentum slowed in the afternoon. Softer US data helped to prop up the prices today. Meanwhile, Chile's economic activity unexpectedly rose in October, as the highest copper production this year boosted overall performance. This marks another sign of growing copper production in the economy in recent months. Copper fluctuated, testing support below \$8,250/t before settling higher at \$8,336/t. Aluminium continued to edge slightly higher today, close to \$2,485/t. Nickel saw another day of robust gains, breaking above the \$27,500/t resistance to settle at \$27,601/t. Lead and zinc closed higher at \$2,173.50/t and \$3,079.50/t, respectively.

In the meantime, the EU is closing in on an oil price cap for Russian exports, with \$60/bl being cited as the most likely outcome. WTI and Brent are seen trading at \$82/bl and \$88/bl. Precious metals were all seen higher, with gold and silver strengthening into \$1,800/oz and \$22.59/oz, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2492	2527	2374	2485	2491	21032	564616	-30.00	112.76
Copper	8309	8363	8220	8336	8285	17000	241319	-22.50	378.16
Lead	2190	2206	2166	2173.5	2179	3586	99151	-12.50	98.52
Nickel	27170	27700	26520	27601	26805	2334	146822	-95.00	1256.46
Tin	22995	23395	22850	23331	22770	257	14330	160.00	1055.07
Zinc	3048	3088	3034	3079.5	3035	7328	200748	10.75	139.12
Total:						51537	1266986		

Official Prices							Monthly Avg	
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M
Aluminium	2430.5	2460.5	2550	2623	2447.5	2477.5	2430.5	2460.5
Copper	8216.5	8251	8211	8176	8226.75	8239	8216.5	8251
Lead	2155	2170	2178	2160	2181.75	2193	2155	2170
Nickel	26950	26950	27579.5	28524.5	26892	26987	26950	26950
Tin	23105	23150			23045	22921	23105	23150
Zinc	3056.5	3050.5	3009.25	2909.25	3050.25	3037.5	3056.5	3050.5

LME Stocks (tonnes)							Other Copper Markets			
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	501225	0	2075	-2075	499150	249575	249575	Comex, USc/lb		
Copper	89700	0	1425	-1425	88275	20400	67875	DEC 22	372.95	2.74
Lead	23750	0	0	0	23750	425	23325	MAR 23	373.8	2.71
Nickel	52122	1026	24	1002	53124	6450	46674	Shanghai, CNY/mt		
Tin	3200	0	120	-120	3080	380	2700	22-Nov	65930	1.48
Zinc	41300	0	75	-75	41225	10200	31025	22-Dec	65620	1.28

Global Markets	Currencies			Precious Metals			Previous Day's Fix		
Last	% Change		Last	% Change	Last	% Change	AM	PM	
DAX	14490	0.65	GBP	1.2231	1.4347	Gold	1801.04	1.8388	1759.65
DJI	34256	-0.96	JPY	135.7300	1.7240	Silver	22.59	1.7757	2156
S&P500	4072	-0.20	EUR	1.0476	0.6727	Gold Comex	1815.2	3.142	
SSE	3165	0.45	CNY	7.0534	0.5529	Platinum	1041.3	0.3934	
Hq Seng	18736	0.75	AUD	0.6790	0.0295	Palladium	1915.5	1.7557	
Brent	88	1.43	RUB	118.6895	1.4433				

Source: Bloomberg
Updated: 01/12/2022 17:12

All price data is from 01.12.2022 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).