

Authors

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Daily Base Metals Report

Stock markets softened following more robust than-anticipated data in the US and CPI data in Europe, prompting central banks to adopt a less aggressive rate-hiking stance. Services ISM data was 56.5 higher than expectations at 53.5, where business activity rose from 55.7 to 64.7, indicating that the economy is still performing well, and new orders were marginally lower. Employment increased to 51.5 after the stronger-than-expected NFPs on Friday. Rate hikes are still on the cards, but the next increases the risk of pushing the economy into a recession. The dollar index was firmer; however, a Bloomberg survey showed that 57% of respondents thought the greenback would be trading lower in a month; we agree and are shifting towards a sell rallies approach. ECB council members continue to suggest rate hikes of 50bps, and traders expect this in their next meeting. The US 10yr yield has rallied back to 3.5733%.

Metals prices were well-bid overnight following the news from China that they were reducing testing in key regions. The traders are getting excited about the re-opening trade now, pushing futures prices higher, but the physical market is poor. Copper pulled back from the high of \$8,555/t and traded at \$8,388/t with the cash to 3-month price at -\$25.75/t contango. Tin prices have rallied strongly, reaching \$24,370/t, up nearly 5%, with the spread still backward at \$125 but a lot less than in previous months. Zinc was also higher, trading at \$3,164/t and closing at \$3,126/t, but it sold off after the close. Aluminium prices weakened today after failing above \$2,570/t, which triggered a sell-off to \$2,545/t. Lead closed at \$2,238.5/t, while nickel failed above \$29,000/t and traded back towards \$24,600/t with the cash to 3s at -\$112/t contango.

Energy prices weakened today, with WTI and Brent at \$84.78/bl and \$79.09/t. Gold and silver also softened today, trading at \$1,772/oz and \$22.25/oz, respectively.

Base Metals Report

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Industrial Commodities
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	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2565	2577	2425	2522.5	2556	17417	574179	-31.00	113.78
Copper	8490	8555	8363	8391	8472	16890	246097	-25.75	380.14
Lead	2210	2241	2208	2238.5	2213	2959	100684	-14.00	101.11
Nickel	28395	29135	28130	28680	28150	1518	148693	-112.00	1295.02
Tin	23660	24600	23660	24446	23570	420	14266	125.00	1105.64
Zinc	3116	3164	3102	3126	3107	5884	201173	13.50	140.89
					Total:	45088	1285092		

Official Prices

	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Monthly Avg	
							Cash	3M
Aluminium	2485	2517	2588.75	2661.75	2517.45	2545.5	2454.666667	2485.5
Copper	8440	8470	8440	8378	8432.5	8450	8332.833333	8361.666667
Lead	2194.5	2214	2237.5	2219.5	2189.75	2202.5	2173.5	2189.666667
Nickel	28365	28605	29469	29700	28750	28862	27486.66667	27660
Tin	24475	24200			23380	23255	23693.33333	23561.66667
Zinc	3120.5	3115.5	3053.5	2942.25	3085.25	3079	3081.166667	3076.666667

LME Stocks (tonnes)

	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Other Copper Markets	Last	% Change
Aluminium	497925	0	2375	-2375	495550	269200	226350	Comex, USc/lb		
Copper	87450	250	975	-725	86725	19100	67625	DEC 22	384.8	0.89
Lead	23750	0	0	0	23750	425	23325	MAR 23	385.05	0.86
Nickel	53274	0	72	-72	53202	6450	46752	Shanghai, CNY/mt		
Tin	3110	0	25	-25	3085	445	2640	22-Nov	66600	0.85
Zinc	40350	0	600	-600	39750	8750	31000	22-Dec	66220	0.59

Global Markets

Global Markets			Currencies		Precious Metals			Previous Day's Fix		
Last	% Change		Last	% Change		Last	% Change	AM	PM	
DAX	14448	-0.56	GBP	1.2182	-0.7980	Gold	1769.50	-1.5648	1800.75	1784.75
DJI	34058	-1.08	JPY	136.5300	-1.6260	Silver	22.25	-3.8617		2260.5
S&P500	4012	-1.47	EUR	1.0503	-0.3037	Gold Comex	1781.9	-1.531		
SSE	3212	1.76	CNY	6.9625	1.3070	Platinum	1004.64	-1.4199		
Hq Seng	19518	4.51	AUD	0.6715	-1.1046	Palladium	1881.29	-1.0576		
Brent	84	-1.34	RUB	118.6895	1.4433					

Source: Bloomberg
Updated: 05/12/2022 17:15

All price data is from 05.12.2022 as of 17:30

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