

Authors

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Daily Base Metals Report

Equity markets struggled for direction today as traders look at the economic downturn as a headwind to stocks. End-user demand has been falling sharply in most significant regions. While employment data has been resilient up until now, there is an expectation that this will be the next data point to show weakness. Reports suggest that the number of participants looking for a second job has increased. U.S. treasuries were bid for the same reason, with the 30yr U.S. yield falling below 3.50%, and this caused the dollar to soften in the European afternoon session. The dollar index holds below the 200 DMA, and we are not seeing the USD bid in uncertain trading sessions. In previous months, the dollar traded as a haven, but we are starting to see more preference for precious metals as we enter the final stages of the rate hiking cycle. European GDP for Q3 was above expectations at 2.3% Y/Y and 0.3% Q/Q, which is expected to decline in Q4.

Metals prices were mixed today and lacked direction. There was a modest correction from tin, which failed above \$24,705/t, and closed at \$24,306/t, and the cash to 3-month spread was marginally weaker at \$81/t. Nickel prices pushed higher and broke above \$30,000/t into the close and have continued higher. The news that Vale will break out of the metals business in conjunction with reports that Indonesia is considering resuming nickel ore exports but with a tax has prompted uncertainty in the market, which already has concerns over future supply. Copper prices oscillated around \$8,430/t, despite the dollar weakening. Aluminium was weaker today after recording a high of \$2,512/t, and futures broke back to \$2,486/t. Zinc cash to 3-month prices remain backwardated at \$24/t, and the 3-month contract closed at \$3,183/t while lead closed at \$2,212/t.

Energy prices continue to suffer despite the draw in inventories of 5.186kbl for crude. Expectations for higher production have caused WTI to weaken to \$72.61/bl and Brent at \$77.98/bl; it seems to sell pressure is set to continue. Precious metals caught a bid, with silver gaining nearly 2% to \$22.63/oz and gold at \$1,781/oz.

All price data is from 07.12.2022 as of 17:30

Base Metals Report

Wednesday, 07 December 2022 17:00

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	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2501	2513	2462	2485	2500	11410	567464	-33.00	112.95
Copper	8403	8488	8322	8456.5	8405	12462	243012	-36.75	384.72
Lead	2209	2224	2185	2212	2205	3162	101135	-15.75	100.83
Nickel	29045	32230	28610	31441	29085	2419	147621	-129.00	1415.45
Tin	24700	24705	23855	24306	24850	374	14254	81.00	1105.87
Zinc	3131	3205	3089	3183	3127	8141	200025	24.00	145.36
					Total:	37968	1273511		

Official Prices

	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Monthly Avg	3M
Aluminium	2450.5	2477	2549.5	2626.5	2477.26	2508.5	2455.1	2484.8
Copper	8334	8375	8380	8379	8384.75	8421.5	8337.6	8372
Lead	2206	2224	2212.75	2194.75	2206.5	2220.5	2187.3	2204.2
Nickel	28725	28925	29877	30630	29142	29271	27887	28051
Tin	24475	24325			24946.5	24814	24031	23892
Zinc	3140	3113	3097.5	2972.5	3179	3156	3114.1	3100.8

LME Stocks (tonnes)

	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Other Copper Markets	Last	% Change
Aluminium	491750	0	8175	-8175	483575	259575	224000	Comex, USc/lb		
Copper	86375	2825	725	2100	88475	23625	64850	DEC 22	381.15	0.58
Lead	23750	0	0	0	23750	425	23325	MAR 23	381.8	0.61
Nickel	54240	0	588	-588	53652	6150	47502	Shanghai, CNY/mt		
Tin	3075	45	15	30	3105	540	2565	22-Nov	65940	-0.17
Zinc	38975	0	400	-400	38575	22625	15950	22-Dec	65860	-0.06

Global Markets

Global Markets			Currencies		Precious Metals			Previous Day's Fix	
Last	% Change		Last	% Change	Last	% Change	AM	PM	
DAX	14261	-0.57	GBP	1.2189	0.4616	Gold	1781.66	0.5996	1773.35
DJI	33571	-0.07	JPY	136.5600	0.3222	Silver	22.66	2.1211	2254
S&P500	3934	-0.18	EUR	1.0502	0.3344	Gold Comex	1793.8	0.640	
SSE	3200	-0.40	CNY	6.9700	0.3587	Platinum	1004.5	1.3183	
Hq Senq	18815	-3.22	AUD	0.6721	0.4934	Palladium	1842.34	-0.5125	
Brent	78	-1.51	RUB	118.6895	1.4433				

Source: Bloomberg
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