



Authors

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Daily Base Metals Report

Equity markets gained ground in the US ahead of the Fed this evening, but gains have muted. In Europe, indices have declined as investors remain cautious with significant central bank rate decisions this week. UK inflation slowed to 10.7% Y/Y but is still near record highs, the 2-year gilts advanced, and the 10yr yield is at 3.31%. We do not see the recent move by the Fed as a pivot. Historically, 50bps is a big hike, and the market is pricing another large rate hike in February. While it is conceivable that equity markets see a 50bp hike as bullish, their outlook for the global economy is not pretty, and earnings will likely be weaker than expected as higher rates are priced in. The USD index edged lower today, but the currency lost ground against most major currencies, with cable at 1.242, EURUSD at 1.066, and USDCHF at 0.9229.

Metals prices were mixed today, with nickel and copper marginally higher. The trend of weakening spreads persisted with the ali cash to 3s at -\$42.50/t contango and copper at -\$40.50/t contango, participants continue to roll their positions, but there is still a large short in Dec for aluminium. Copper traded in a narrow range compared to previous days and closed at \$8,523/t. Aluminium followed a similar pattern and tested the resistance around \$2,466/t but softened to close at \$2,452.5/t. Zinc gave back some of the recent gains and closed just off the lows at \$3,238.50/t; lead also sold off today after failing into resistance at \$2,200/t; the market closed at \$2,181/t. Appetite for prices at \$24,100/t kept tin above key support, but the market closed at \$24,275/t.

Energy prices gained ground today as US imports increased this week, but US crude inventories rose 10.23m barrels, the gulf saw the largest increase in stocks, but output declined. Brent and WTI pushed higher and traded at \$82.71/bl and \$77.37/bl, respectively. Gold and silver consolidated today ahead of the Fed, trading at \$1,808/oz and \$23.92/oz, respectively. According to Peak Trading Research, momentum CTAs traders at 100% long of gold futures for the first time since April could limit gains.

All price data is from 14.12.2022 as of 17:30

Base Metals Report

Wednesday, 14 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	2455	2467	2423	2444	2455	9188	592074	-42.00	111.31
Copper	8461	8546	8445	8516.5	8463	9157	248462	-40.50	387.49
Lead	2196	2198	2151	2181	2195	2951	105906	-9.50	99.09
Nickel	28500	28965	28080	28365	28200	1537	141884	-222.00	1286.63
Tin	24320	24495	24100	24275	24325	170	14895	48.50	1103.60
Zinc	3310	3331	3226	3238.5	3309	7888	198904	22.50	147.76
					Total:	30891	1302125		

Official Prices

	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Monthly Avg	Cash	3M
Aluminium	2379.5	2428	2527.25	2623.25	2419.75	2461	2435.5	2469.6	
Copper	8415	8457	8487	8477	8449.25	8497	8388.3	8423.7	
Lead	2147	2153	2187.75	2188.75	2197.25	2205.5	2188.05	2201.9	
Nickel	27850	28200	29205	30230	28007	28287	28632	28843	
Tin	24275	24200			24689	24644	24173	24064	
Zinc	3277	3255	3163.75	3030	3346.25	3318.5	3190.95	3170.15	

LME Stocks (tonnes)

	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Other Copper Markets	Last	% Change
Aluminium	496425	0	7125	-7125	489300	227950	261350	Comex, USc/lb		
Copper	81875	5075	1425	3650	85525	22725	62800	DEC 22	383.95	1.08
Lead	24350	0	0	0	24350	425	23925	MAR 23	384.2	1.09
Nickel	52878	810	354	456	53334	4302	49032	Shanghai, CNY/mt		
Tin	3030	65	75	-10	3020	350	2670	22-Nov	66580	0.73
Zinc	36650	0	25	-25	36625	21175	15450	22-Dec	66520	0.93

Global Markets

	% Change		Currencies		% Change		Precious Metals		Previous Day's Fix	
Last	% Change		Last	% Change	Last	% Change	Last	% Change	AM	PM
DAX	14460	-0.26	GBP	1.2422	0.4529	Gold	1810.14	-0.0364	1785.15	1823.55
DJI	34322	0.63	JPY	134.9200	0.4966	Silver	23.97	0.9871		2339.5
S&P500	4042	0.57	EUR	1.0665	0.3009	Gold Comex	1821.4	-0.225		
SSE	3177	0.01	CNY	6.9501	0.0230	Platinum	1032.1	-0.3062		
Hq Seng	19673	0.39	AUD	0.6867	0.1751	Palladium	1922.91	-0.3353		
Brent	83	2.53	RUB	118.6895	1.4433					

Source: Bloomberg
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