

Authors

Geordie Wilkes

FRI 16 DECEMBER 2022 23:31

Daily Base Metals Report

Selling pressure across global equity markets persisted today, with all major regions were weaker. The tech sector was particularly soft today as riskier assets have suffered since the central bank meetings this week, and options expiry compounded moves. Equities are expected to fall as economic growth slows, unemployment starts to rise, and the impact of higher rates takes hold. Goldman has indicated that they may cut 4,000 jobs, as US PMIs declined across services, composite, and manufacturing at 44.4, 44.6, and 46.2, respectively. European PMIs were also contractionary as CPI increased in November by 10.1% Y/Y, and core CPI was 5% Y/Y. The dollar strengthened against major economies, and the index at 104.72; cable and EURUSD weakened today as the correction continues. Yields increased today, with the US 10yr at 3.49% and the UK at 3.338%. The German yield has rallied this week and stands at 2.144% due to the hawkish ECB and high inflation print today.

Metals were softer today, except for Nickel which was bid and tested resistance at \$29,715/t. The market trades at \$28,630/t, and cash to 3-month spreads are still at \$208/t. Zinc faced strong selling pressure, testing support at \$3,000/t, futures closed just off the lows at \$3,018/t, and the spread is backwardated at \$30.50/t. Copper prices edged lower despite news of copper mines shutting; the dollar and lower economic growth continue to dominate prices. The 3-month contract trades at \$8,272/t at the time of writing, with the contango at \$32.5/t. Aluminium traded in a narrow range and was unchanged at \$2,385.5/t at the time of writing. Tin also struggled for direction and closed at \$23,535/t, with the lead at \$2,151/t. China announced a new state-owned company would be the world's largest buyer of iron ore when it consolidated purchases for some of China's largest steelmakers, according to Bloomberg. Iron ore prices were down at \$109/t.

Energy prices declined to test appetite below \$79/t, but strong buying at this level has kept prices around \$80/bl for Brent, with WTI at \$75.98/bl. Gold was bid again today, trading at \$1,789.86/oz, and silver at \$23.11/oz.

All price data is from 16.12.2022 as of 17:30

Base Metals Report

Friday, 16 December 2022 17:00

Industrial Commodities
 industrials@sucfn.com
 +44(0)20 3207 5430
 www.sucdenfinancial.com

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2390	2421	2372	2375	2386	14505	587534	-37.90	108.18
Copper	8300	8371	8225	8266.5	8295	12475	247844	-32.50	377.01
Lead	2155	2169	2144	2151.5	2146	2509	105679	3.75	97.30
Nickel	28360	29715	28090	28273	28255	1262	141334	-140.25	1282.45
Tin	23570	23880	23250	23535	23410	163	14562	25.00	1072.76
Zinc	3169	3170	3002	3018	3163	9396	202599	30.50	137.71
Total:						40310	1299552		

Official Prices

	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Monthly Avg	3M
Aluminium	2354	2398	2462	2567	2344.75	2384	2425.416667	2460.333333
Copper	8231.5	8276	8287.5	8267.5	8253	8293.5	8374.791667	8411.25
Lead	2156	2162	2160	2166	2146.5	2153	2180.791667	2193.75
Nickel	28850	29100	29023	30053	28103	28311	28649.58333	28865
Tin	23750	23700			23636	23600	24094.16667	23990.83333
Zinc	3127	3097.5	2951	2822.25	3180.75	3160	3189.291667	3167.833333

LME Stocks (tonnes)

	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Other Copper Markets	Last	% Change
Aluminium	483850	0	6200	-6200	477650	216200	261450	Comex, USc/lb		
Copper	83725	1500	1125	375	84100	19625	64475	DEC 22	376.3	-2.89
Lead	24350	0	0	0	24350	425	23925	MAR 23	376.3	-2.97
Nickel	53958	0	96	-96	53862	4776	49086	Shanghai, CNY/mt		
Tin	3045	0	40	-40	3005	285	2720	22-Nov	0	0.00
Zinc	36575	0	0	0	36575	21150	15425	22-Dec	65460	-0.83

Global Markets

Global Markets		Currencies		Precious Metals		Previous Day's Fix				
Last	% Change	Last	% Change	Last	% Change	AM	PM			
DAX	13893	-0.67	GBP	1.2177	-0.0082	Gold	1790.05	0.7429	1775.95	1783.55
DJI	32746	-1.37	JPY	136.5300	0.9155	Silver	23.12	0.1503		2316.5
S&P500	3834	-1.58	EUR	1.0618	-0.0941	Gold Comex	1800.1	0.688		
SSE	3168	-0.02	CNY	6.9740	-0.0029	Platinum	994.78	-1.4142		
Hq Seng	19451	0.42	AUD	0.6698	-0.0746	Palladium	1741.88	-3.0301		
Brent	80	-2.11	RUB	118.6895	1.4433					

Source: Bloomberg
 Updated: 16/12/2022 17:18

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).