

Authors

Daria Efanova
Head of Research

WED 21 DECEMBER 2022 00:10

Daily Base Metals Report

US stocks fluctuated throughout the day ahead of the key economic data releases this week, which are forecast to highlight the slowing pace of economic and price growth in the economy. US home construction continued to fall in November as permits declined rapidly, another signs of housing market slowdown. The dollar weakened into 103.87, and the 10yr US Treasury yield remained elevated at 3.68%. The yen rallied to 131 after the surprise move from the BOJ to double the cap on 10yr yield to 0.5% while keeping the policy rate unchanged. Markets now anticipate the BOJ to raise rates next year.

Metals benefitted from a weaker dollar today, with the group closing higher day-on-day. Aluminium jumped higher during the day before reversing those gains to return to close at the \$2,372.50/t level; the cash to 3-month spread was at -\$40/t. Likewise, nickel jumped by more than \$1,160/t following the news that NorNickel is considering cutting 10% of nickel output in 2023, keeping production at 215,000 tonnes. The metal settled at \$28,334/t, and the cash to 3-month spread settled at -\$142/t. Copper remained broadly unchanged at \$8,354.50/t. Lead and zinc closed higher at \$2,180/t and \$3,082.50/t, respectively.

Oil futures edged higher on thin trading volumes and a softer dollar; WTI and Brent now trade at \$75/t and \$79/t. Gold and silver jumped higher today following the surprise move from BOJ, now trading at \$1,818/oz and \$24/oz, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads C-3M	Conversion USc/lb
Aluminium	2370	2410	2364	2372.5	2370	12418	554818	-33.25	107.89
Copper	8290	8421	8210	8354.5	8281	15043	244951	-20.75	379.23
Lead	2154	2189	2149	2180	2146	2889	101532	14.00	99.27
Nickel	27375	29500	27280	28334	27235	1551	137682	-135.00	1285.22
Tin	23125	23980	23125	23913	23400	356	14165	-4.00	1084.10
Zinc	3025	3090	2980	3082.5	3025	5635	201101	38.00	139.66
Total:						37892	1254249		

Official Prices							Monthly Avg	
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M
Aluminium	2329.5	2371	2459	2562	2323.5	2361	2411.535714	2447.071429
Copper	8302	8326	8352	8329	8303.25	8320	8366.464286	8401.928571
Lead	2175	2167	2190	2200	2173	2160	2180.25	2190.035714
Nickel	28400	28625	29111	30111	27073	27215	28551.42857	28770
Tin	23375	23375			23288.18	23307	23986.07143	23900
Zinc	3075	3030	3002	2866	3052	3012	3171.892857	3147.928571

LME Stocks (tonnes)							Other Copper Markets			
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	479525	6950	7975	-1025	478500	240850	237650	Comex, USc/lb		
Copper	83575	250	1225	-975	82600	18500	64100	DEC 22	378.3	0.57
Lead	24350	0	0	0	24350	425	23925	MAR 23	378.3	0.57
Nickel	54360	0	24	-24	54336	4806	49530	Shanghai, CNY/mt		
Tin	2995	0	55	-55	2940	220	2720	22-Nov	65160	-0.23
Zinc	36575	0	50	-50	36525	21350	15175	22-Dec	65120	-0.32

Global Markets		Currencies		Precious Metals			Previous Day's Fix			
Last	% Change		Last	% Change	Last	% Change	AM	PM		
DAX	13885	-0.42	GBP	1.2152	0.0247	Gold	1820.48	1.8382	1796.5	1790.80
DJI	32876	0.36	JPY	130.6400	4.7994	Silver	24.04	4.5981		2324
S&P500	3817	-0.03	EUR	1.0634	0.2545	Gold Comex	1830.3	1.813		
SSE	3074	-1.07	CNY	6.9619	0.2557	Platinum	1010.95	2.7012		
Hg Seng	19095	-1.33	AUD	0.6667	-0.4925	Palladium	1731.07	3.3481		
Brent	79	-0.73	RUB	118.6895	1.4433					

Source: Bloomberg
Updated: 20/12/2022 17:11

All price data is from 20.12.2022 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).