

Authors

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Daily Base Metals Report

European equity markets started the year on the front foot, with the FTSE bid to 7562 and Euro Stoxx 50 at 3890; the U.S. was marginally lower at the time of writing. The session in the U.S. has been choppy, with leading tech companies such as Apple declining. Markets are still quiet as traders' investors return to their desks, and sentiment is mixed as risks to the global economy are significant, but we expect inflation to be softer in Q1. With China re-opening, strong demand for resources could trigger sharp gains in commodity prices, prompting inflationary pressures. U.S. yields declined, and the 10yr trades at 3.79%; the U.K. and Germany stand at 3.636% and 2.373%, respectively. The U.S. manufacturing PMI was in line with expectations at 46.2 and is contractionary, and the U.K. was slightly weaker at 45.3. The dollar index rallied today, with the greenback making large gains against CAD, CHF, and EUR.

Metals were mixed today, as copper and aluminium struggled. Aluminium prices tested support at \$2,305/t, and this triggered the market to edge higher back to \$3,018/t. The cash to 3-month spread is at \$30/t contango, as ingot inventories in China accumulated for three consecutive weeks, gaining 14% to New Year's Day. On a historical basis, they remain very low. Copper failed to gain a footing above \$8,500/t, trades at \$8,330/t at the time of writing, cash to 3s at \$13/t, contango. The weak data from the U.S. and softer economic growth expectations inhibited price action. Nickel prices gained ground, testing resistance at \$32,000/t, but this level held firm. Tin was also bid, closing at \$25,473/t, with zinc and lead at \$3,002/t and \$2,280/t, respectively.

Energy prices struggled today, with WTI and Brent being sold to \$77.67/bl and \$82.70/bl, respectively. Gas prices declined sharply as the warm weather reduced demand across Europe. Gold and silver continue to benefit from the end-of-cycle momentum, but they both struggled to hold onto their highs, trading at \$1,835/oz and \$24.06/oz.

All price data is from 03.01.2023 as of 17:30

Base Metals Report

Tuesday, 03 January 2023 17:00

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	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads C-3M	Conversion USc/lb
Aluminium	2391	2399	2305	2331	#N/A N/A	19842	534785	-35.50	104.78
Copper	8445	8513	8310	8321.5	#N/A N/A	18330	233482	-13.00	377.21
Lead	2295	2298	2254	2280	#N/A N/A	5122	105740	53.00	103.40
Nickel	30000	31975	29920	31118	#N/A N/A	2238	135730	-160.00	1411.50
Tin	25050	25690	24940	25473	#N/A N/A	475	14166	-36.00	1152.59
Zinc	2992	3020	2965	3002.5	#N/A N/A	6055	186749	21.75	135.19
					Total:	52062	1210652		

Official Prices

	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Monthly Avg Cash	3M
Aluminium	2337.5	2369	2499.25	2591.25	#N/A N/A	#N/A N/A	2337.5	2369
Copper	8390	8408	8305.25	8260.25	#N/A N/A	#N/A N/A	8390	8408
Lead	2322	2268	2310.5	2300.5	#N/A N/A	#N/A N/A	2322	2268
Nickel	31200	31350	32863	33813	#N/A N/A	#N/A N/A	31200	31350
Tin	25050	25200			#N/A N/A	#N/A N/A	25050	25200
Zinc	3004	2970	2799.75	2657.75	#N/A N/A	#N/A N/A	3004	2970

LME Stocks (tonnes)

	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Other Copper Markets Last	% Change
Aluminium	450300	0	3050	-3050	447250	245900	201350	Comex, USc/lb	
Copper	88925	0	375	-375	88550	11475	77075	MAR 23	377.2 -1.01
Lead	25150	0	0	0	25150	13900	11250	MAY 23	377.75 -0.97
Nickel	55476	0	96	-96	55380	5838	49542	Shanghai, CNY/mt	
Tin	2990	35	30	5	2995	155	2840	22-Nov	0 0.00
Zinc	32025	0	1550	-1550	30475	15725	14750	22-Dec	0 0.00

Global Markets

Global Markets		Currencies		Precious Metals		Previous Day's Fix				
Last	% Change	Last	% Change	Last	% Change	AM	PM			
DAX	14182	0.80	GBP	1.1976	-0.5811	Gold	1835.74	0.6425	1812.35	1813.75
DJI	32971	-0.53	JPY	130.7800	0.0153	Silver	24.04	0.3461		2394.5
S&P500	3806	-0.87	EUR	1.0556	-1.0406	Gold Comex	1841.7	0.849		
SSE	3117	0.88	CNY	6.9152	-0.2401	Platinum	1079.89	0.5213		
Hg Seng	20145	1.84	AUD	0.6731	-1.0438	Palladium	1726.05	-3.7168		
Brent	83	-3.34	RUB	118.6895	1.4433					

Source: Bloomberg
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