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Daily Base Metals Report

US stocks fluctuated ahead of the highly watched inflation release tomorrow, which is once again expected to come in lower than the previous month's reading at 6.5%. If the central banks' goal to bring the inflation down to the target level prevails, the changes in headline inflation towards that target will not take place until core components begin to soften in line with more volatile parts. In subsequent months, market will start to pay closer attention to the trajectory of core CPI level. Lower-than-expected inflation reading could trigger some yield softness, but we expect the Fed to hike by 25bps in February. The dollar and the 10yr US Treasury yield have remained unchanged ahead of the event.

The metals market once again saw robust gains on the upside today, supported by reopening sentiment coming from China. Additionally, a lower dollar has also boosted the upside. In particular, aluminium saw protracted buying pressure push the metal above \$2,500/t to settle at \$2,510/t. Copper rallied for the 5th straight session, breaking above the resistance level of \$9,000/t for the first time since June and settled at \$9,124.50/t. Iron ore also jumped higher to test the 5-month high of \$121.50/mt. Lead fluctuated, and zinc closed higher at \$3,207/t. Despite tight market conditions in the market, given historically low stockpiles, cash to 3-month spreads remain at a healthy contango level, suggesting that severe tightness is not imminent. This, coupled with Chinese Lunar New Year celebrations starting next week, could mean seasonal softness in demand coming from China in the coming weeks.

Oil futures were also supported by China's positive sentiment, rallying in the latter part of the day, despite rising crude stockpiles report coming from the US. WTI and Brent now trade at \$77/bl and \$82/bl. Gold and silver wavered today, settling at \$1,873/oz and \$23.40/oz, respectively.

	Open	High	Low	5pm Close	PDC	Volume	Total O.I	Spreads	Conversion
								C-3M	USc/lb
Aluminium	2459	2515	2447	2510	2457	19501	551560	-32.25	113.85
Copper	8935	9185	8910	9124.5	8937	25698	252492	-17.00	413.88
Lead	2186	2200	2168	2192	2186	7848	109701	12.00	99.43
Nickel	27945	28155	25915	27039	27270	3563	136120	-203.00	1226.48
Tin	25920	27085	25920	26813	25915	583	14583	-92.00	1216.23
Zinc	3172	3212	3153	3207	3167	6413	187549	19.25	145.47
					Total:	63606	1252005		

Official Prices							Monthly Avg		
	Cash	3m	Dec Yr 1	Dec Yr 2	PD Cash	PD 3M	Cash	3M	
Aluminium	2451	2487	2686.75	2781.75	2429	2463.5	2326.357143	2360.571429	
Copper	8987	8995	9060.5	8984.5	8890.5	8912	8551	8572.285714	
Lead	2202	2183	2219.5	2209.5	2213.25	2200	2273.5	2234.142857	
Nickel	27575	27880	28595	29470	27234	27466	28564.28571	28780.71429	
Tin	26600	26775			25765	25860	25492.85714	25582.14286	
Zinc	3175.5	3164	3013.75	2846.25	3174.1	3160.5	3076.785714	3056.571429	

LME Stocks (tonnes)							Other Copper Markets			
	Opening	In	Out	Net Change	Closing	C-warrants	Open Tonnage	Last	% Change	
Aluminium	418875	0	5175	-5175	413700	218125	195575	Comex, USc/lb		
Copper	84775	1000	975	25	84800	15950	68850	MAR 23	407.75 1.27	
Lead	23375	0	1525	-1525	21850	12025	9825	MAY 23	407.9 1.23	
Nickel	54312	0	318	-318	53994	8100	45894	Shanghai, CNY/mt		
Tin	3070	15	0	15	3085	390	2695	23-Jan	67450 1.46	
Zinc	22150	0	475	-475	21675	10025	11650	23-Feb	67390 1.32	

Global Markets		Currencies		Precious Metals		Previous Day's Fix			
Last	% Change		Last	% Change	Last	% Change	AM	PM	
DAX	14948	1.17	GBP	1.2142	-0.0987	Gold	1877.14	0.0059	1875.2 1878.65
DJI	33868	0.49	JPY	132.4300	-0.1284	Silver	23.41	-0.8071	
S&P500	3948	0.73	EUR	1.0750	0.1584	Gold Comex	1881.3	0.256	
SSE	3162	-0.24	CNY	6.7650	0.2143	Platinum	1071.34	-1.0529	
Hq Seng	21436	0.49	AUD	0.6904	0.2177	Palladium	1780.53	-0.1783	
Brent	82	2.85	RUB	118.6895	1.4433				

Source: Bloomberg
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All price data is from 11.01.2023 as of 17:30

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